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Tobacco Situation

Economics and Statistics, Service

U.S. Department of Agricultural

Approved by the World Food and Agricultural Outlook and Situation Board

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THE TOBACCO SITUATION

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SUMMARY

All tobacco production for 1980 is estimated at 1.77 billion pounds (808,000 metric tons), 17 percent above last year's extremely short crop. Use of tobacco in the current marketing year may slip below last season. Use is expected to exceed the 1980 crop, and next summer's carryover may drop 2 percent from the 3.3 billion pounds (1.48 million metric tons), carried into the 1980/81 marketing year. Larger total tobacco output is likely for 1981/82 if there is a recovery in yields. The effective flue-cured quota is down, but the burley quota will likely go up.

Domestic tobacco supplies for 1980/81 are 2 percent smaller than last season because beginning stocks were down 9 percent from the previous year. The 1980 crop is up because of increases in both acreage and yields. Despite widespread drought and some disease outbreaks that hurt crop quality, the crop staged a big recovery from 1979's output which was reduced by blue-mold.

Auction prices for flue-cured tobacco fell after mid-September when late season demand weakened. But average prices for the season were record high, up 4 percent from 1979. Burley sales began in late November, with prices averaging sharply above 1979 levels. Fire-cured and dark air-cured tobaccos have also sold at higher prices this season.

Total tobacco use in 1980/81 may be down slightly from last year. U.S. exports of unmanufactured tobacco for July-October 1980 rose in volume from a year earlier. But shipments are expected to go below year-ago levels the rest of the season. A decline in domestic disappearance will further lower utilization for this marketing year.

U.S. cigarette output for 1980 may rise 1 percent above 1979, because of a small gain in domestic sales. Despite uncertain economic prospects in the Nation and continued antismoking efforts, growth of the adult population should maintain total cigarette sales in 1981 at the record-high 1980 level. Chewing tobacco output is increasing; in contrast, cigar and smoking tobacco volume is lagging and the downtrend may continue in 1981.

Exports of U.S. leaf have increased during 1980 to around 600 million pounds (272 thousand metric tons or 660 million pounds, farm-sales weight), 6 percent above the 1979 level. Total export value is also up. Reduced quality of the 1980 U.S. crop along with sizable foreign holdings of older U.S. crops, means prospects for next year's exports are not as good.

Imports accounted for 31 percent of U.S. manufacturers' tobacco use last marketing year—30 percent of use in cigarettes and 40 percent in other products. January-October duty paid imports of unmanufactured tobacco and of the Customs Category 170.80 "tobacco manufactured or not manufactured, not specifically provided for", were 2 percent above a year ago. This calendar year's total imports may exceed last year's 384 million pounds. A similar amount could enter in 1981.

The flue-cured tobacco supply for the 1980/81 marketing year (July-June), at 3.060 billion pounds, is virtually the same as last year despite the larger crop. With marketings above indicated use, the mid-1981 carryover is expected to exceed this year's 1.965 billion pounds by around 25 million. This year's grower prices averaged $1.45 per pound, 5 cents above 1979. Because of the uneven effects of the drought, market and State averages across the 5-State flue-cured belt varied more than in the last several years. The sizable loan stocks of downstalk tobacco remaining from older crops were augmented by considerable immature, lower-grade tobacco from the 1980 crop.

The 1981 national flue-cured marketing quota has been set 7.5 percent below 1980. Tentatively, the effective quota (reflecting adjustments for the 1980 marketings above and below quota) is 1.11 billion pounds, 6 percent lower than in 1980. The price support level will go up about 12 percent next season, reflecting higher prices paid by farmers.

The burley tobacco supply for 1980/81 (October-September) is 1.58 billion pounds, 5 percent below last season and the lowest since 1950. Carryover on October 1 dropped because the 1979 production fell short of 1979/80 utilization. The 1980 crop (December forecast) is 446 million pounds, 23 percent above 1979's disease-reduced production. Burley auctions through December 8 averaged $1.66 per pound, 22 cents above last year. About three-fourths of the crop will be sold before Christmas. For 1981/82, the effective quota will increase over the basic quota because of the large quantity of undermarketings from the 1980 season.

Supplies of the Maryland, fire-cured, dark air-cured, and cigar tobaccos are below last season. Marketing quotas and acreage allotments for types under quota will be announced by February 1.

TOBACCO PRODUCTS

Cigarette Production Higher

Small gains in domestic sales, exports, and to inventories, are bringing 1980 cigarette production to a record level, 1 percent above 1979 (tables 1 and 2).

U.S. consumption totaled 478 billion cigarettes during January-September 1980, 3 billion above a year earlier. Based on State cigarette tax receipts, unit sales for the first 9 months of 1980 registered a 2 percent gain over the corresponding period of 1979. There is one more sales day in 1980 than in 1979. In light of continued antismoking publicity and the prospect of almost static real incomes, total cigarette consumption will do well to hold its own the next 12 months. Sales of low-tar, low-nicotine cigarette brands continue to grow as consumers shift from other brands. For 1980, low-tar cigarettes accounted for about 48 percent of the domestic market, compared with 42 percent last year.

Manufacturers raised cigarette prices in November, the third time this year. Retail cigarette prices in 1980 have averaged 8 percent higher than last year. However, the hike for cigarettes was less than the general rise in consumer prices. Four States raised cigarette taxes this year, compared with 5 States in 1979. Nevertheless, by September, the weighted average State cigarette tax was 13.1 cents per pack, virtually the same as a year earlier.

Smokeless Tobacco Use Gaining

Chewing tobacco output fell in the third quarter, as sales gains for loose leaf and fine cut tobaccos slowed. Employment has been sluggish in many industries where employees typically use chewing tobacco. Total production for 1980 may exceed last year's figure by 6-7 percent. Snuff production so far this year is below 1979 (table 3).

Third-quarter domestic use of *smoking tobacco*—including imports—remained below a year earlier. For all of 1980, smoking tobacco consumption will likely drop some 3 percent from 1979. Following the pattern of recent years, the downtrend may continue in 1981 (table 4).

Consumption of *large cigars* (including cigarillos) totaled 2.9 billion in January-September, 10 percent fewer than a year earlier. The 1980 total will be down by a similar percentage (table 2). Cigar shipments from Puerto Rico, as well as U.S. output, were down. Since 1964, the overall consumption trend has been downward, and this pattern is expected to continue in 1981.

Table 1—Cigarettes: U.S. output, removals, and consumption, 1971-80

Year	Output	Removals					Estimated inventory increase	Total U.S. consumption[3]
		Taxable	Tax-exempt					
			Total	Exports	Shipments[1]	Overseas forces[2]		
	Billions							
1971	576.4	528.9	49.2	31.8	2.7	14.7	-11.4	555.1
1972	599.1	551.0	49.0	34.6	2.1	12.3	-3.3	566.8
1973	644.2	590.3	55.9	41.5	2.0	12.4	13.1	589.7
1974	635.0	576.2	59.2	46.9	1.9	10.4	-12.1	599.0
1975	651.2	588.3	62.3	50.2	1.5	10.6	-7.7	607.2
1976	693.4	617.9	72.1	61.4	1.9	8.8	13.5	613.5
1977	665.9	592.0	78.1	66.8	1.1	10.2	-14.4	617.0
1978	695.9	614.2	85.1	74.4	1.2	9.6	8.2	616.0
1979	704.4	614.0	93.0	79.7	1.1	12.2	6.8	620.0
1980[4]	715.0	623.0	93.0	82.0	1.0	10.0	3.5	630.0

[1] To Puerto Rico and other U.S. possessions. [2] Includes ship stores and small tax-exempt categories. [3] Taxable removals, overseas forces, inventory change and imports (negligible). [4] Estimated.

Compiled from reports of the Bureau of Alcohol, Tobacco, and Firearms and the Bureau of the Census.

Table 2—Cigars and smoking tobacco: Output, removals, and consumption, 1977-80

Year and item	United States factories			From Puerto Rico, taxable	Imports	Exports	Total U.S. consumption[1]
	Output	Removals					
		Taxable	Tax-exempt				
	Millions						
Large cigars[2]							
1977	3,927	3,776	134	1,098	97	117	4,988
1978	3,795	3,621	164	986	99	166	4,702
1979	3,601	3,353	179	842	107	177	4,304
1980[3]	3,400	3,300	200	600	120	200	4,020
	Million pounds						
Smoking tobacco							
1977	40.7	40.2	.7	—	7.2	.8	47.3
1978	36.4	35.2	.8	—	9.0	.9	44.2
1979	32.8	32.3	.9	—	[4] 7.0	.9	39.3
1980[3]	31.0	30.5	.8	—	[4] 7.0	.8	37.5

[1] Total removals (or sales) from U.S. and Puerto Rico, factories plus imports, minus exports. [2] Includes cigarillos. [3] Estimated. [4] From European countries. Excludes leaf exporting countries normally not suppliers of packaged tobacco.

Compiled from reports of the Bureau of Alcohol, Tobacco, and Firearms, Bureau of the Census, and Agricultural Marketing Service, USDA.

Table 3—Tobacco products: Output, 1978-80

Item	1978	1979[1]	1980[2]
	Million pounds		
Chewing tobacco			
Plug	15.9	15.3	17.2
Twist	2.1	2.0	1.8
Fine-cut	12.0	13.3	14.5
Loose leaf	64.6	71.7	72.5
Total	94.6	102.3	106.0
Snuff	25.1	23.7	25.5
Smoking tobacco in bulk (exports)	4.2	27.0	22.0
	Millions		
Small cigars	1,645	1,539	1,450

[1] Subject to revision. [2] Estimated.

Basis data compiled from reports of the Bureau of Alcohol, Tobacco, and Firearms, Bureau of the Census, and Agricultural Marketing Service, USDA.

Table 4– U.S. cigarette exports to leading destinations, 1979-80

Country	1979	January-October	
		1979	1980[1]
	Billions		
Belgium-Luxembourg	13.7	10.9	15.3
Hong Kong	6.3	4.7	6.3
Netherlands Antilles	4.4	3.9	3.6
Japan	3.7	2.9	3.0
Iran	2.1	1.5	0
Saudi Arabia	4.3	3.6	3.8
Spain	3.6	2.8	2.2
Kuwait	3.7	2.9	3.0
United Arab Emirates	5.9	4.9	3.4
Canary Islands	2.1	1.9	2.7
Syrian Arab Republic	.7	.7	.3
Lebanon	1.7	1.2	1.2
Panama	2.0	1.7	1.7
Other countries	25.5	21.5	22.6
Total	79.7	65.1	69.1

[1] Subject to revision.

Compiled from publications and records of the Bureau of the Census.

U.S. EXPORTS AND IMPORTS

Exports To Decline

Exports of unmanufactured tobacco this year through October totaled 15 percent above a year earlier, but exports during the high-volume last 2 months of the year will probably fall from the level of November-December 1979. The 1980 total is expected to fall below the 1973-77 average of 606 million pounds (275,000 metric tons, equivalent to 665 million pounds farm-sales weight).

Calendar 1981 exports will do well to hold this year's estimated level of 600 million pounds. Short supplies of desirable grades and rising overseas production at prices attractive to foreign manufacturers will limit U.S. exports in 1981.

For January-October 1980, increases in exports were registered for flue-cured and burley, the principal export classes, as well as for Maryland and dark-fired leaf (tables 3 and 4). Among our major markets, Europe, including the European Community (EC), took more U.S. tobacco, while Far East markets, including Japan, took less (tables 5 and 6). Exports under Government-financed programs remained small this past fiscal year (table 7).

Import Rise Continues

Through October this year, U.S. imports of tobacco for consumption (duty-paid) increased 2 percent above a year earlier (table 8). The gain occurred in cigarette tobacco, and in the Customs Category 170.8045 ("tobacco manufactured or not manufactured, not specifically provided for"). Oriental tobacco, the major import class, was up slightly, reflecting a gain in cigarette output. Flue-cured leaf imports decreased, largely reflecting a reduction in shipments from Canada. Cigar scrap imports were up despite the reduced cigar output. Last year's U.S. cigar leaf output was a record low.

Due to the shift in Customs classification for certain machine processed tobacco beginning in July, U.S. imports of other scrap tobacco (primarily for cigarettes) fell 29 million pounds in January-October 1980. Italy, Turkey, Korea, Brazil, and Zimbabwe are the major countries of origin. A sizable gain is recorded for Customs Category 170.8045. The value of those imports in October 1980 averaged $1.18 cents per pound, compared with $2.77 for U.S. exports of flue-cured stemmed leaf. Imports in 1981 may again be sizable.

January-October 1980 arrivals of tobacco (general imports) were 5 percent above a year earlier. Cigarette leaf and stems accounted for the gain; cigar cigarette were about the same, while other scrap (cigarette) was down. Brazil was a major scrap source, with its shipments to the United States valued at $1.27 per pound. With a sizable drop in output during 1979, oriental leaf imports fell sharply.

U.S. stocks of foreign-grown cigarette and smoking tobacco rose over the past 12 months. On October 1, 1980, stocks totaled 719 million pounds (farm-sales weight), 3 percent above a year earlier. Just over half of the foreign grown tobacco stocks consisted of flue-cured and burley.

Table 5– United States exports unmanufactured tobacco by type and to principal importing countries, 1976-80

(Declared weight)

Type and country	1976	1977	1978	1979[1]	January-October 1979[1]	January-October 1980[2]	1980 as a percentage of 1979
	Million pounds						*Percent*
Type:							
Flue-cured	378.7	411.7	454.8	370.6	242.8	288.2	119
Burley	67.9	79.1	91.0	82.1	77.1	88.6	115
Maryland	8.3	7.7	10.6	6.0	5.5	5.7	104
Fire-cured, Ky. and Tenn.	16.3	19.1	22.6	13.7	9.8	12.9	132
Virginia fire and sun-cured	2.9	3.7	2.5	3.1	2.9	2.8	96
Green River and One Sucker	.3	.1	.7	.2	.2	.1	50
Black Fat	3.3	2.7	2.6	3.2	2.3	1.9	83
Cigar wrapper	3.8	4.1	3.7	5.3	4.5	3.7	82
Cigar binder	.3	.2	*	.1	.1	.2	200
Cigar filler	.4	.3	.2	.2	.1	.2	200
Perique	.1	.1	.1	.1	*	*	—
Stems, trimmings and scrap	95.8	99.9	98.9	77.2	55.8	56.1	101
Other, not elsewhere classified	—	—	12.4	5.7	4.5	6.7	149
Total	578.1	628.6	700.0	567.5	405.8	467.3	115
Country of destination:							
United Kingdom	71.8	46.8	148.8	68.2	54.9	21.2	39
France	8.3	6.3	9.8	11.5	9.8	3.3	34
Belgium-Luxembourg	7.5	10.4	16.9	5.4	3.5	6.2	177
Netherlands	24.7	30.5	34.2	29.3	21.2	37.9	179
West Germany	73.7	78.9	53.2	67.7	54.1	88.1	163
Denmark	9.0	16.9	27.1	16.4	12.9	15.9	123
Ireland	7.7	5.4	5.3	6.9	5.0	3.0	60
Italy	33.2	40.6	41.0	34.8	32.3	28.8	89
Subtotal EC	235.9	235.8	336.3	240.2	193.7	204.4	106
Switzerland	24.4	28.8	26.2	19.3	14.0	7.6	54
Finland	6.2	5.3	7.7	7.0	5.5	7.7	140
Norway	5.5	6.0	4.2	5.7	5.0	6.5	130
Sweden	14.1	11.8	17.5	13.7	10.2	12.8	125
Spain	4.7	5.1	19.9	10.1	3.5	27.0	771
Thailand	21.8	16.0	18.2	18.8	18.8	22.6	120
Republic of Korea	7.2	9.8	9.9	13.1	13.1	13.6	104
Malaysia	7.3	12.2	10.7	8.4	7.7	7.7	100
Philippines	13.0	15.4	13.9	11.5	9.8	10.1	133
Taiwan	12.3	20.6	25.8	41.4	20.3	3.7	18
Japan	132.7	135.4	102.2	95.9	36.2	28.2	78
Australia	10.3	14.2	12.3	10.1	7.9	10.5	133
New Zealand	4.9	5.0	3.7	4.0	3.5	3.2	91
Egypt	11.1	26.7	24.5	3.8	3.8	17.0	447
Other countries	66.7	80.5	67.0	64.5	52.8	84.7	160
Total	578.1	628.6	700.0	567.5	405.8	467.3	115

[1] Subject to revision. [2] Preliminary. *Less than 50,000 pounds. Detail may not add to total due to rounding.

Compiled from publications and records of the Bureau of the Census.

Table 6 -- United States exports of unmanufactured tobacco by types, to principal importing countries, crop years 1977/78-1979/80 1/

Importing country	1977/78	1978/79	1979/80 2/	Importing country	1977/78	1978/79	1979/80 2/
	Million pounds				Thousand pounds		
	Flue-cured, types 11-14				Va. fire & sun-cured, types 21 & 37		
United Kingdom	63.3	92.4	40.9	Switzerland	0	538	15
West Germany	43.5	39.9	65.8	Norway	908	1,716	1,778
Japan	74.8	71.5	62.3	Sweden	302	416	192
Netherlands	16.4	11.8	23.2	West Germany	502	71	395
Thailand	11.6	15.1	15.0	Other countries	349	383	856
Australia	9.8	8.6	10.6				
Italy	22.6	16.0	15.8	Total	2,061	3,124	3,236
Sweden	5.8	5.7	7.8				
Norway	2.7	2.7	4.3		One Sucker, type 35		
Finland	3.0	5.0	6.6				
Denmark	7.7	14.4	6.0	Bahamas	0	0	13
Ireland	1.7	6.0	3.7	Zaire	0	154	0
Belgium-Luxembourg	8.8	7.4	4.9	Other countries	97	68	106
Switzerland	9.4	6.7	6.6				
Rep. of Korea	0	17.4	9.8	Total	97	222	119
Philippines	7.4	5.8	7.8				
Spain	8.1	10.4	14.0		Green River, type 36		
Malaysia	7.9	9.6	6.7				
Taiwan	18.9	33.9	24.1	United Kingdom	59	42	13
Egypt	14.3	10.4	12.2	Benin (Dahomey)	294	64	0
Other countries	60.6	48.8	50.5	Zaire	0	117	0
				Other countries	19	86	2
Total	397.4	439.5	398.6				
				Total	372	309	15
	Burley, type 31				Cigar Filler, type 41-44		
Italy	18.5	17.3	10.3	Canada	0	13	0
Sweden	9.6	2.0	2.8	France	172	77	89
Denmark	2.0	2.4	4.2	Other countries	75	40	154
Netherlands	2.2	5.1	8.9				
Japan	10.4	14.8	9.6				
West Germany	7.0	6.0	23.6	Total	247	130	243
Switzerland	6.6	4.8	2.4				
United Kingdom	9.6	4.5	1.2		Connecticut Binder, types 51-52		
Thailand	6.6	4.6	7.6				
Philippines	4.8	5.9	3.6	Dominican Republic	0	53	68
Other countries	12.2	18.5	17.4	Switzerland	22	15	0
				Canada	7	0	75
Total	83.3	85.9	91.6	Other countries	4	2	7
	Maryland, type 32			Total	33	70	150
Belgium-Luxembourg	.8	.6	.4				
West Germany	.9	1.7	.7		Wisconsin Binder, types 54-55		
Switzerland	3.8	2.7	5.1	Canada	18	2	0
Other countries	1.6	2.7	1.4	Other countries	79	2	2
Total	7.1	7.7	7.6	Total	97	4	2
	Ky.-Tenn. fire cured, types 22-23				Cigar Wrapper, types 61-62		
Sweden	.3	.5	.7	United Kingdom	385	478	633
Netherlands	9.3	10.9	9.7	West Germany	322	87	68
Belgium-Luxembourg	.5	.3	.9	Canada	71	22	58
France	2.4	.3	1.8	Dominican Republic	2,284	3,287	3,433
Switzerland	.2	.8	.4	Netherlands	537	542	363
Other countries	3.0	6.6	3.4	Other countries	647	313	255
Total	15.7	19.4	16.4	Total	4,246	4,729	4,810
	Stems, Trimmings, and Scrap 2/				Black Fat		
Sweden	3.9	2.7	3.2	Dahomey	785	1,609	1,162
Denmark	3.6	6.7	8.3	Cameroon	297	317	272
United Kingdom	19.5	20.9	7.9	Niger	410	241	459
West Germany	5.5	10.0	14.9	Nigeria	505	253	46
Japan	28.3	15.9	10.0	Togo	447	417	344
Other countries	38.0	34.3	46.6	Other countries	255	127	127
Total	98.8	90.5	86.6	Total	2,699	2,964	2,410

1/ July-June crop year for flue-cured, cigar wrapper, stems, trimmings, and scrap: October-September crop for all other types except October-July for 1979/80.

2/ Subject to revision

Compiles from publications and records of the Bureau of the Census.

Table 7– Exports of unmanufactured tobacco under Government-financed programs and commercial sales, fiscal years, 1977-80

Year ending September 30	Government-financed exports				Commercial exports			Total unmanufactured tobacco exports
	Title I, P.L. 480				Dollar sales			
	Foreign currency sales	Long-term dollar credit sales	Mutual Security and A.I.D.	Total	CCC short term credit	Other	Total	
	Quantity (export weight)							
	Million pounds							
1977	---	29.9	15.2	45.1	35.4	573.4	608.9	638.8
1978	---	.6	20.5	21.1	24.2	575.9	600.1	600.7
1979	---	3.3	17.4	20.7	31.3	580.4	611.7	632.4
1980	---	1.0	24.0	25.0	12.1	586.2	598.3	623.3
	Value							
	Million dollars							
Year ending Sept. 30								
1977	---	35.4	18.8	55.7	66.9	942.8	1,009.7	1,065.4
1978	---	1.1	28.9	30.0	46.1	1,055.7	1,101.8	1,131.8
1979	---	6.7	22.0	28.7	69.1	1,194.4	1,263.5	1,292.2
1980	---	2.7	35.3	38.0	31.4	1,274.2	1,305.6	1,343.6

For 1960-76 data see TS-157, September 1976, p.14.

TOBACCO LEAF SITUATION AND OUTLOOK [1]

1980 Crop Highlights

The 1980 tobacco production is forecast to be 17 percent above last year, in response to 12 percent larger acreage and 5 percent higher yields. However, the quality of the crop was hurt by high temperatures and below-normal rainfall in the second half of the 1980 growing season. Higher effective quotas were applicable this season for flue-cured and burley, and acreage of all tobacco increased from the 90-year low hit in 1979. Production per acre gained a little overall, but yields in a number of States and belts were lower. To prevent a recurrence of last year's blue mold outbreak growers used new chemical treatments (tables 9 and 10).

Despite larger crops of flue-cured and burley, reduced carryover means smaller total supplies for burley and some minor kinds.

Prices for all tobacco this season will likely average around 10 cents a pound above last season and set a new record. Due to the decrease in quality, the gain in average prices falls short of the rise in support levels. Volume of tobacco placed under loan this season will exceed that of the 1979 season. With the larger crop and higher prices, farmers' cash receipts from tobacco marketings for calendar 1980 have risen about one-fifth from 1979's level and will exceed the 1978's previous record of $2.55 billion.

1981 Marketing Quotas and Allotments

The 1981 national quota, i.e. basic quota, for flue-cured tobacco is 7-1/2 percent below 1980. With the under-quota marketings from the 1980 crop, the effective quota (sum of individual farm quotas) is down 6 percent (table 11).

By February 1, USDA will announce the 1981 marketing quotas and acreage allotments for burley and several other kinds of tobacco. Shortly after the announcement, growers of Ohio filler and Wisconsin and Connecticut binder types will vote for or against marketing quotas on their next three crops. If at least two-thirds of those voting approve, marketing quotas will be in effect. In previous referendums for burley, flue-cured, fire-cured, and dark air-cured tobaccos growers approved marketing quotas for the 1981 crop.

Price Support Level To Rise

For 1981, a rise of 12 percent above the 1980 price support level is indicated. The law requires the 1981 price support adjustment to be based on the average

[1] All quantities in this section are stated in farm-sales weight equivalent unless otherwise noted.

Table 8 - U.S. imports of unmanufactured tobacco for consumption and general, principal categories, and countries of origin, , and January-October 1979-80 1/

(Declared weight)

Classification and country of origin	Imports for consumption				General imports (arrivals)			
	1979	January-October		1980 as a percentage of 1979	1979	January-October		1980 as a percentage of 1979
		1979	1980			1979	1980	
	---Million pounds---			Percent	---Million pounds---			Percent
Cigarette tobacco:								
Leaf, unstemmed:								
Oriental								
Turkey	89.3	75.9	92.7	122	108.4	97.7	83.2	85
Greece	26.8	23.5	20.3	86	14.3	14.3	22.1	154
Yugoslavia	14.0	12.2	11.5	94	14.4	14.4	9.7	67
Bulgaria	14.6	13.1	8.8	67	17.9	13.1	9.4	72
Other countries	22.3	18.7	19.8	106	17.4	12.1	10.9	90
Flue-cured	10.2	10.2	8.4	82	14.6	13.0	20.2	155
Burley	11.9	11.5	15.1	131	29.9	25.4	51.7	204
Other	2.2	1.9	1.1	58	1.1	1.1	2.2	200
Subtotal	191.3	167.0	177.7	106	218.1	191.0	209.4	110
Scrap 2/								
Brazil	30.5	25.6	21.0	82	29.5	25.6	24.8	96
Korea, Republic of	19.8	15.4	9.4	61	12.1	10.9	13.3	122
Italy	16.1	15.3	3.2	21	11.0	9.8	4.3	44
Turkey	10.5	9.0	6.4	71	11.0	2.9	10.1	348
Mexico	7.2	5.9	2.0	34	5.3	9.3	1.6	17
Argentina	3.8	3.1	4.3	139	7.5	6.8	.6	9
Other countries	34.3	30.5	29.3	96	36.3	32.3	31.2	97
Subtotal	122.2	104.8	75.6	72	112.7	97.6	85.9	88
Total	313.5	271.8	253.3	93	330.8	288.6	295.3	102
Cigar tobacco:								
Wrapper	3.4	3.3	1.6	48	4.8	3.5	2.2	106
Filler-stemmed and unstemmed								
Dominican Republic	1.2	1.1	1.0	91	8.3	7.4	5.1	69
Other countries	4.3	4.0	3.2	80	17.2	16.3	22.6	139
Subtotal	5.5	5.1	4.2	82	25.5	23.7	27.7	117
Scrap								
Philippine Republic	7.9	6.8	19.0	279	7.1	5.9	6.0	102
Indonesia	5.6	4.3	4.4	102	4.8	4.2	5.0	112
Dominican Republic	5.6	4.8	5.5	115	3.1	2.6	1.8	69
Brazil	2.7	2.5	2.2	88	2.4	1.9	2.2	116
Other countries	13.0	11.4	3.2	28	8.8	6.5	11.0	169
Subtotal	34.8	29.8	34.3	115	26.1	21.1	26.0	118
Total	43.7	36.2	40.1	111	56.5	49.5	55.9	113
Stems	20.0	17.6	28.5	138	20.3	17.6	28.5	162
Total unmanufactured	377.2	327.2	317.2	97	407.6	355.7	379.7	107
Manufactured or not manufactured, not specifically provided for, Other	1.9	1.6	18.1	1,131	1.9	1.6	20.0	1,250
GRAND TOTAL	379.1	328.8	335.3	102	409.5	357.3	399.7	112

1/ Preliminary. 2/ Includes minor quanitites for smoking tobacco, chewing tobacco and snuff.
Detail may not add to total due to rounding.

Compiled from publications and records of the Bureau of the Census.

Table 9– U.S. tobacco: Acreage and yield, 1978-80

Type	Acreage harvested			Change from 1979	Yield per acre			Change from 1979
	1978	1979	1980[1]		1978	1979	1980[1]	
	1,000 acres			*Percent*	*Pounds*			*Percent*
Flue-cured								
11—Old and Middle Belt, VA.-N.C.	211.0	181.0	194.0	+7.2	1,916	1,756	1,704	-3.0
12—Eastern N.C.	186.0	159.0	188.0	+18.2	2,255	1,900	2,175	+14.5
13—S.C.—Border N.C.	120.0	96.0	112.0	+16.7	2,157	2,091	1,997	-4.5
14—Georgia—Florida	72.0	63.5	66.0	+3.9	2,064	1,956	2,002	+2.4
Total, types 11-14	589.0	499.5	560.0	+11.2	2,090	1,892	1,956	+3.4
Burley, type 31	261.0	237.8	275.5	+15.9	2,399	1,875	1,994	+6.3
Total, all types 11-72	948.3	826.3	922.6	+11.7	2,135	1,848	1,930	+4.4

[1] November 1 indications, burley is December 1.

Table 10– Tobacco: U.S. Department of Agriculture price support loan and program operations, and other expenditures, 1978-80

Item	Year ending September 30—		
	1978	1979	1980
	Million dollars		
	Price support loan operations		
New loans made	282.9	228.7	172.0
Repayments	184.1	71.4	260.1
Charged off	([1])	5.4	.1
Net additions (minus)	98.8	152.0	-88.0
Loans outstanding:			
Value	751.2	903.2	814.9
Quantity (mil. lbs.)	605	691	647
	CCC program operations		
Export payments	([1])	0	0
Public Law 480 sales:			
Dollar credit	4.5	7.3	2.7
Short term credit sales	46.1	69.2	31.4
Recoveries of costs[2]	20.0	55.6	73.5
Subtotal, net CCC costs[3]	29.0	19.0	23.9
	Other expenditures		
Administration of quota program	10.3	12.8	([4])
Inspection, grading	6.2	6.1	([4])
Market news	.4	.5	([4])
Research and extension, production & marketing	7.2	7.2	([4])
Miscellaneous	.9	.9	([4])
Subtotal, other	25.0	27.5	([4])
Net USDA costs	54.0	51.9	

[1] Less than $50,000. [2] P.L. 480 and short term credit sales (estimated). [3] Includes loan operations charged off and recovered. [4] Not available.

Compiled from Commodity Credit Corporation, Report of Financial Conditions and Operations, annual issues, 1978-80 and records of Office Management and Finance.

of the parity index for 1978, 1979, and 1980 relative to the 1959 base. USDA usually announces average support levels by tobacco types in the spring and individual grade loan rates just before the opening of the various marketing seasons.

Foreign Leaf Production Again Large

For 1980, production decreases occurred in the major producing countries of Brazil, Japan, and India. Substantial gains were recorded in the United States, Turkey, Canada and Zimbabwe.

Zimbabwe also has a sizable carryover of old crop tobacco. The U.N.-imposed economic sanctions no longer apply against Zimbabwe trade, but growers there have not benefitted because the 1980 crop quality was sharply reduced. Zimbabwe plans a much smaller crop size in 1981.

FLUE-CURED

1980 Auction Prices Gain

Prices for the 1980 flue-cured crop gained 4 percent from 1979 to set a new record. With larger volume, crop value rose one-sixth above 1979. Loan placements were up. Considering both the crop and Stabilization stocks, industry takings were up slightly from last season's 33-year low.

With demand sluggish and reduced amounts of the desired leaf qualities, July prices in Georgia-Florida averaged barely above a year earlier. The average price for all belts moved up considerably to a September peak but fell back in October about the same as in 1979.

Compared with the 1979 season, price averages for most grades averaged substantially higher, especially

Table 11—Flue-cured and burley tobacco: Marketing quota and marketings, 1971-81

Year	Quota		Actual	Marketings		Effective under quota[1]	Net carryover[2]
	Basic	Effective		Over-quota	Under-quota		
	Million pounds						
	Flue-cured, types 11-14						
1971	1,071.6	1,069.9	1,076.3	60.4	49.9	45.8	-14.5
1972	1,071.2	1,056.7	1,022.1	41.2	72.9	68.1	26.8
1973	1,178.7	1,205.6	1,159.0	54.8	100.5	95.3	40.5
1974	1,296.6	1,337.1	1,245.3	50.0	138.9	132.4	82.5
1975	1,491.4	1,572.3	1,414.6	50.9	203.2	192.3	141.0
1976	1,268.1	1,409.1	1,316.0	49.4	139.9	130.2	80.8
1977	1,116.5	1,197.3	1,124.2	42.6	115.2	106.9	64.3
1978	1,117.2	1,181.5	1,205.9	65.6	43.9	41.8	-26.4
1979	1,094.9	1,068.5	973.8	24.8	118.8	117.0	92.2
1980[3]	1,095.0	1,187.3	1,085.0				100.0
1981[4]	1,013.0	1,113.0					
	Burley, type 31						
1971	555.1	553.0	471.5	9.7	91.1	89.7	80.1
1972	531.5	611.5	588.6	30.7	45.7	44.6	13.9
1973	559.7	573.6	460.7	11.3	113.1	111.7	100.3
1974	606.5	706.8	610.4	23.0	118.9	104.0	81.0
1975	669.5	750.4	639.9	21.8	127.5	113.4	91.6
1976	634.8	726.4	663.6	33.1	96.2	82.3	49.2
1977	636.2	683.4	612.6	27.2	99.0	80.8	53.6
1978	614.2	667.8	614.2	31.5	88.2	67.6	36.1
1979	613.6	649.7	472.2	12.2	188.6	168.8	155.2
1980[3]	615.0	769.2					

[1] Under quota marketing less ineligible carryover. [2] Effective under quota marketings less over quota marketings. [3] Subject to revision. [4] Preliminary.

Compiled from records and reports of Price Support and Loan Division, ASCS.

better-quality leaf. Gains were 7 to 24 cents per pound for about 80 to 85 percent of grades, while primings and nondescript grades were 4 to 22 cents lower per pound. The price averages varied considerably over the belt due to the drought conditions. The season average price for gross sales (including resales) was $1.45 per pound—up 5 cents from last year's average. Price averages were up in all belts (table 12). Among the 87 markets, season averages ranged from $1.24 to $1.54 a pound.

Because of the enlarged effective quota, producers' marketings were above last season. Producer auction sales totaled 1,082 million pounds, 140 million more than in 1979.

Quality Declines

Crop quality decreased from last year. There was a smaller proportion of fair and good grades in 1980 and more nondescript and poor quality tobacco. The share for leaf and cutter grades decreased. With drought conditions in all areas, there was a larger share of variegated and green tobacco (table 13).

Loan volume reached 13 percent of sales, up from 7.4 percent in 1979. Most of the 1980 loan receipts consisted of lug, priming, and nondescript grades. Better leaf grades represented a negligible share of loan receipts.

Auction Sales End November 17

Sales in the Georgia-Florida area opened a little later than last year, in line with crop maturity. A sales holiday was declared for October 14-16 to allow redrying plants to process the backlog. By then, eight-tenths of the crop had been sold.

The sales opportunity averaged about 85 million pounds weekly, about the same as last year, and resale allowance for warehouses remained at 10 percent. Again this season, growers designated a warehouse for the sale of their crop, and the USDA Flue-cured Tobacco Advisory Committee recommended opening dates and selling schedules to USDA. A buyer rotation plan was used and selling times were allocated according to the grower designations. Growers could change their warehouse designation at the beginning of each month, if they wished.

Resales averaged 7 percent of gross sales, the same share as in 1979. About 6 percent of the crop was sold outside of the belt where it was produced (table 14). As was the case last season, there was no provision for the Stabilization Cooperative or

Table 12– Flue-cured tobacco: Gross sales (including resales), average price, and loan receipts by Belt, 1976-80

Marketing season	Old and Middle Belt, type 11	Eastern N.C. Belt, type 12	N.C. Border and S.C. Belt, type 13	Ga.-Fla. Belt, type 14	All Belts
			Million pounds		
1976	453	480	275	163	1,370
1977	385	389	243	169	1,186
1978	391	466	272	160	1,289
1979	319	343	219	138	1,019
1980[1]	321	456	245	144	1,166
			Average price per pound		
			Cents		
1976	107.2	113.0	112.4	110.2	110.6
1977	114.0	118.5	124.1	115.9	117.8
1978	131.9	134.2	137.1	142.4	135.2
1979	140.0	139.2	141.6	139.8	140.1
1980[1]	143.2	147.7	143.4	140.5	144.7
			Receipts under loan		
			Million pounds		
1976	134.8	80.2	37.2	24.7	276.9
1977	107.6	54.6	20.4	10.5	193.1
1978	25.9	25.0	9.2	4.0	64.1
1979	25.1	25.7	12.3	6.6	69.8
1980[1]	45.4	46.3	30.3	16.3	138.3
			Percentage of producer sales under loan		
			Percent		
1976	31.0	17.4	14.2	15.9	21.1
1977	29.3	14.7	8.9	6.7	17.2
1978	7.0	5.7	3.7	2.8	5.3
1979	8.5	8.1	6.2	5.4	7.5
1980[1]	15.1	10.9	13.5	12.4	12.8

[1] Preliminary.

Compiled from records and reports of Tobacco Division, Agricultural Marketing Service.

warehouses to handle carryover tobacco. The volume held by individuals for sale next season is apparently negligible.

Export Volume May Slip

European Community purchases this season were tempered by the drop in 1980 U.S. crop quality and also by sizable supplies from duty preference areas. Japan's 1980 purchases have dropped a little from last year. Japanese shipments are usually bunched around the end of the calendar year. In general, smaller supplies of U.S. export grades and larger stocks abroad are holding down our 1980/81 exports to most destinations. By June 1981, flue-cured exports may total a little below the 1979/80 season's total of 520 million pounds.

Flue-cured exports for July-October 1980 were above the year-earlier level but below the same period for recent years when good quality tobacco supplies were ample. By October, unit value had risen 8 percent above October 1979 (table 15).

Supplies About the Same in 1980/81

Although carryover was less, the larger crop has brought the season's flue-cured supply to 3.05 billion pounds. The total is virtually the same as last year but one-fifth below the 1964/65 record (table 16). After 1979's short crop, the 1980 outturn was the lowest since 1972. Harvested acreage in 1980 was up 12 percent from 1979, while yield per acre was up 3 percent. A downturn in U.S. exports, along with likely lower domestic use for this marketing year, means total disappearance may drop from last year's level. Next July's carryover could rise about 1 percent with loan holdings likely to account for most of the stock rise.

The Flue-cured Stabilization Cooperative, the association handling tobacco under loan, sold 84 million pounds from January through November, while loan receipts reached 138 million pounds. So, January 1 loan stocks will rise above the 547 million pounds held a year earlier.

Table 13—Flue-cured tobacco: Farm marketings by belt and across-belt marketings, 1980

States and belt	Total farm marketings	Sold in—			Total sold out of belt	
		Ga.-Fla. 14	S.C.-N.C. 13	N.C. 12	N.C.-Va. 11	Amount	Percent of sales
	Million pounds					*Percent*	
Ga.-Fla., 14	131.3	131.2	([1])	0	([1])	0.1	0.0
S.C.-N.C., 13	223.0	.8	212.6	5.3	4.3	10.4	4.7
N.C., 12	399.2	0	6.9	386.1	6.1	13.1	3.2
N.C.-Va., 11	327.7	0	4.9	32.1	290.8	37.0	11.3
Sales from out of belt	—	.8	11.8	37.4	10.4	—	—
Total[2]	1,081.1	132.0	224.4	423.5	301.2	60.4	5.6
	Sales from out of belt as percentage of belt sales						
	Percent						
	5.6	.6	5.3	8.8	3.5	—	—

[1] Less than 50,000 pounds. [2] Details may not add to total due to rounding. Distribution of 4 million pound not available.

Compiled from records and reports of Price Support and Loan Division, ASCS.

Table 14—Flue-cured tobacco: Percentage distribution of marketings, by group and qualities, 1976-80 crops

Crop year	B-Leaf	H-S. leaf	C-Cutters	X-Lugs	P-Primings	N-Nondescript	Misc.
	Percent						
	GROUP						
1976	57.1	3.0	8.9	12.1	11.4	6.1	1.4
1977	50.4	1.2	4.1	13.0	6.3	22.8	2.2
1978	58.2	1.6	10.1	14.4	8.5	6.0	1.2
1979	58.5	1.4	9.7	16.6	8.5	4.3	1.0
1980[1]	53.1	.7	7.9	17.8	8.2	11.3	1.0

Crop year	1-Choice	2-Fine	3-Good	4-Fair	5-Low	6-Poor	Nondescript	Misc.
	QUALITY							
1976	.3	1.2	18.1	50.0	20.6	2.3	6.1	1.4
1977	.1	.2	4.9	31.5	28.1	10.3	22.7	2.2
1978	—	.5	13.1	50.7	25.1	3.4	6.0	1.2
1979	—	.5	14.0	55.6	22.1	2.5	4.3	1.0
1980[1]	—	.2	5.8	42.2	30.3	9.3	11.3	.9

[1] Preliminary.

Compiled from records and reports of Tobacco Division, AMS.

1981 Quota Reduced

On December 1 USDA announced that the national flue-cured marketing quota for 1981 is 1,013 million pounds. To bring supplies in line with anticipated use, the quota is 7.5 percent below the 1979 level (table 17).

Acreage allotments and poundage quotas for individual farms will reflect 1980 undermarketings and overmarketings. The base quota plus estimated net undermarketings means that the 1981 effective quota is about 1.11 billion pounds, or 6 percent below 1980. A crop close to the quota, when added to prospective carryover, would provide a 1981/82 supply very near this year's level.

Foreign Flue-Cured Situation

In Ontario, Canada, flue-cured production increased this year to near the target level of 226 million pounds. Auctions opened October 14, and late November sales are averaging C$1.36 or slightly above the guaranteed minimum of C$ 1.28 per pound (C$=$.84 U.S.). On a graduated scale of 5 to 14 cents per pound, the Canadian Manufacturers Coun-

Table 15– U.S. flue-cured exports to principal countries, 1978-80
(export weight)

Country	July-October		
	1978	1979	1980
	Million pounds		
United Kingdom	34	18	12
West Germany	15	14	21
Japan	7	7	11
Netherlands	4	5	6
Ireland	2	2	1
Italy	1	0	1
Australia	4	3	3
Belgium	2	1	1
Denmark	5	1	1
Spain	0	0	9
Switzerland	1	1	1
Sweden	6	8	3
Egypt	8	0	0
Philippines	8	2	2
Taiwan	10	5	0
Others	35	17	29
Total	142	84	101

Compiled from records and reports of the Bureau of the Census.

cil gives rebates for exports, targeted around 90 to 95 million pounds.

Brazil's production of flue-cured tobacco decreased slightly in 1979/80. Wet, cool weather conditions occurred in the early part of the season. For 1980/81, flue-cured production is expected to approach the 1979/80 level. Initial growing conditions are more favorable, about offsetting the acreage reduction due to a shift of some producers to better alternatives in food crops. India expects a little larger crop in 1980/81 because of better yields. Higher prices were received by growers for the reduced 1979/80 crop.

The 1980 flue-cured crop in Zimbabwe approached the record crop of 1964, but drought lowered quality. The 1981 marketing quota is set at 70,000 metric tons (154 million pounds), 44-percent below 1980's level. Government-guaranteed loans have enabled the trade to buy and store the surplus tobacco (tables 18 and 19).

BURLEY

Record Price Averages

During the first 3 weeks of auctions, burley sales totaled 400 million pounds (gross) and averaged $1.66 per pound. Despite the short crop, growers will as usual sell about three-fourths of the crop before Christmas. Sales resume January 5 (table 20).

Burley auctions through December 11 averaged 22 cents above last year although quality was not as good as last season. Sales contained smaller percentages of both good grades and leaf category. All grades are selling well above support levels.

Grade loan rates range from $.95 to $1.62 a pound, with an average support level of $1.415. Through December 4, loan receipts were practicaly nil. Early-season loan receipts last year were 0.3 percent and the season average reached 1.5 percent. About four-fifths of the burley crop goes for U.S. products, mostly cigarettes, and exports take the balance.

Experimental Sales of Baled Burley

With bales being scattered among tied lots at auctions, baled burley represents 10 percent of sales. Baled sales are averaging the same as the overall average.

Under the experimental program, growers can sell up to 25 percent of their crop or 1,500 pounds, whichever is greater. Growers requested price support on 104 million pounds or 13.5 percent of the effective quota, a larger share than last season.

1979/80 Disappearance Up Slightly, Sets Record

During the year ending September 30, 1980, burley disappearance totaled 632 million pounds—1 percent above the previous year's record. Exports accounted for the gain, since domestic use decreased from 1978/79. Export and domestic demand reflects the continued preference for burley to provide certain flavors for smoking.

Domestic burley use fell 1 percent, reflecting the decline in U.S. cigarette manufacture in the same period. Some burley is used in other products and also in bulk exports, consisting of blended tobacco processed for cigarette manufacture. Stable domestic burley disapperance is in prospect for 1980/81.

Burley exports for the crop year ending September 30, 1980, were a record 133 million pounds, 12 million above last year's previous high. West Germany, Italy, and Japan remained the leading export markets. West German imports rebounded to more normal levels but smaller takings were recorded by the United Kingdom since the UK unit of account import duty advantage disappeared beginning January 1, 1980.

Supplies Lower

This season's burley supply of 1.57 billion pounds is 6 percent below last season and the lowest since 1950 (table 8). The 1980 crop, estimated as of December 1 at 546 million pounds, was 23 percent above last year. This season's effective farm poundage quota was 18 percent above last year and growers increased acreage 16 percent. Yields are above last season, but otherwise the lowest since 1962, because of blackshank and bluemold disease outbreaks.

Table 16 -- Flue-cured tobacco, types 11-14, and burley tobacco, type 31: Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1971-81

(Farm-sales weight)

Marketing Year	Acreage Harvested	Yield per acre	Marketings	Beginning stocks 1/			Total supply
				Manufacturers and others	Under loan	Total	
	Thousand acres	Pounds	--- Million pounds ---				
Flue-cured, types 11-14							
1971	525.8	2,050	1,076.3	1,214.5	761.9	1,976.4	3,052.7
1972	513.6	1,971	1,022.1	1,292.4	617.8	1,910.2	2,932.3
1973	575.1	2,011	1,159.0	1,347.0	402.3	1,749.3	2,908.3
1974	616.3	2,014	1,245.1	1,330.6	276.7	1,607.3	2,852.4
1975	717.2	1,973	1,414.7	1,471.9	179.9	1,651.8	3,066.5
1976	666.6	1,974	1,316.0	3/ 1,539.1	359.2	3/ 1,898.3	3,214.3
1977	589.3	1,917	1,124.2	1,517.6	556.9	4/ 2,075.0	3,199.2
1978	589.0	2,090	1,205.9	1,517.9	534.0	4/ 2,051.9	3,257.8
1979	499.5	1,892	973.8	1,510.8	564.0	2,074.8	3,048.5
1980	560.0	1,956	1,085.0	1,411.0	554.4	1,965.4	3,050.4
1981 5/				1,425.4	575.0	1,990.4	
Burley, type 31							
1971	213.5	2,213	2/ 472.6	882.4	468.4	1,345.8	1,818.4
1972	235.6	2,552	590.3	920.9	327.6	1,248.5	1,838.8
1973	221.1	2,028	461.4	952.5	276.7	1,229.2	1,690.6
1974	260.7	2,350	610.4	931.5	139.2	1,070.7	1,681.1
1975	282.2	2,265	638.3	1,082.4	12.0	1,094.4	1,732.7
1976	285.8	2,376	663.8	3/ 1,115.3	44.8	3/1,160.1	1,823.7
1977	268.6	2,298	612.5	1,162.3	54.9	4/1,206.3	1,829.7
1978	261.0	2,399	617.6	1,087.0	113.5	4/1,218.4	1,836.0
1979	237.8	1,875	445.8	1,056.3	155.4	1,211.7	1,657.5
1980	275.5	1,994	549.3	959.5	66.3	1,025.8	1,575.1
1981 5/				940.0	5.1	945.1	

Marketing Year	Disappearance			Average price per pound	Price support level	Placed under loan	
	Total	Domestic	Exports			Quantity	Percentage of crop
	---Million pounds---			---Cents---		---Million pounds---	Percent
Flue-cured, types 11-14							
1971	1,142.5	662.5	480.0	77.2	69.4	55.7	5.2
1972	1,183.0	664.2	518.8	85.3	72.7	24.3	2.4
1973	1,301.0	703.0	598.0	88.1	76.6	30.7	2.7
1974	1,200.6	652.3	548.3	105.0	83.3	23.0	1.9
1975	1,193.1	670.6	522.5	99.8	93.2	259.0	18.4
1976	1,148.2	634.0	514.2	110.4	106.0	277.3	21.0
1977	1,147.3	608.2	539.1	117.6	113.8	195.6	17.3
1978	1,182.8	584.1	598.7	135.0	121.0	64.1	5.3
1979	1,083.4	563.2	520.0	140.0	129.3	72.0	7.4
1980	5/ 1,060.0	5/ 560.0	5/500.0	144.7	141.5	138.3	12.7
Burley, type 31							
1971	569.9	515.2	54.7	80.9	71.5	.2	---
1972	609.6	534.5	75.1	79.2	74.9	22.9	3.9
1973	619.0	533.1	86.8	92.9	78.9	.7	.1
1974	586.7	518.8	67.9	113.7	85.8	2.8	.4
1975	602.5	510.1	92.4	105.6	96.1	50.7	7.9
1976	617.4	500.6	116.8	114.2	109.3	46.6	7.0
1977	609.5	493.0	116.5	120.0	117.3	57.0	9.2
1978	624.3	502.8	121.4	131.2	124.7	67.7	10.8
1979	631.8	498.5	133.3	145.2	133.3	7.3	1.5
1980	5/ 630.0	5/ 495.0	5/135.0	7/165.9	145.9	7/ .0	7/ .0

1/ July 1 for flue-cured; October 1 for burley.

2/ Production.

3/ Adjusted for change in conversion factor January 1, 1977.

4/ Stocks revision January 1, 1979 report.

5/ Estimated.

6/ December crop forecast.

7/ Through December 11, 1980.

Table 17—Flue-cured tobacco: Basic and effective quotas and marketings, 1980-81

Type and State	Basic quota		Effective quota			Marketings	
	1980	1981[1]	1980	1981[2]	Change from 1980	1979	1980[2]
	Million pounds				*Percent*	*Million pounds*	
14-Alabama	1	1	1	1	0	1	1
14-Florida	23	21	23	24	+4	23	20
14-Georgia	115	106	122	118	-3	105	110
13-N. Carolina	95	88	105	95	-10	83	98
13-S. Carolina	136	126	145	146	+1	121	125
12-N. Carolina	365	338	394	331	-16	315	401
11-N. Carolina	263	243	294	289	-2	234	246
11-Virginia	98	90	103	109	+6	92	84
Total 11-14	1,095	1,013	1,187	1,113	-6	974	1,085

[1] 92.5 percent of 1980. [2] Estimated. Detail may not add to total due to rounding.

Compiled from records of Price Support and Loan Division, ASCS.

Table 18– Flue cured tobacco: Production in specified countries, 1978-80

Country	1978	1979	1980
	Thousand metric tons		
Canada	113	88	113
India	165	137	105
Zimbabwe	83	112	123
Brazil	179	237	228
Total	540	574	569

Compiled from records and reports of Foreign Agricultural Service.

Table 19—Tobacco loan stocks, 1978-80

(Farm-sales weight)

Type	End of November		
	1978	1979	1980[1]
	Million pounds		
Flue-cured, 11-14[3]	607.7	654.3	672.0
Burley, 31	116.9	157.1	70.7
Virginia, 21	.8	2.6	2.9
Kentucky-Tennessee, 22-23	1.1	12.2	20.6
Kentucky-Tennessee, 35-36	([2])	4.3	6.1
Ohio, 42-44	.4	1.0	.4
Puerto Rican, 46	4.5	5.9	7.1
Connecticut Valley, 51-52	1.0	.9	1.4
Wisconsin, 54-55	([2])	([2])	([2])
Total	732.4	838.3	781.2
Uncommitted			
Flue-cured, 11-14[3]	604.0	595.7	[4]595.6
Burley, 31	105.5	68.4	[4]0

[1] October 31. [2] Negligible. [3] Includes new crop receipts. [4] November 30.

Compiled from records of Producer Associations Division, ASCS.

Due to 1979's short crop, carryover on October 1, 1980, fell 15 percent below a year earlier. Another large reduction is indicated by next fall. Carryover under loan decreased to 66 million pounds, but all of this has been sold under purchase agreements.

The 1980/81 supply is 2.5 times probable disappearance compared to the desirable ratio of 2.7 times disappearance. Supplies are tight and could mean some use limitation unless a large crop is produced in 1981. In addition, manufacturers and dealers held 216 million pounds of foreign grown burley on October 1, 27 million higher than a year earlier.

1981 Quota Decision

The outlook for burley in 1981 hinges partially on the quota decision USDA will make by February 1. Burley poundage legislation requires that the national quota for any year can be neither less than 95 percent of estimated marketing year disappearance nor less than 95 percent of the previous year's quota. For 1979/80, the basic allotment was set at 615 million pounds. By contrast, disappearance in 1979/80, totaled 632 million pounds, 1 percent above the previous year. Close to last season's level of use is indicated for 1980/81 and 1981/82. USDA has proposed 2 options for quota increases—2-1/2 percent and 7-1/2 percent. Deadline for comments to come to USDA is January 16.

A large quota carryover of undermarketings will be added to the 1981 quota. Crops for 1979 and estimated for 1980 averaged only 70 percent of the effective quota. However, the response to quota has averaged 88 percent for 1971-78. An 88 percent response to quota in 1981 could mean a considerable recovery in 1981/82 supplies. Individual farm quotas are to be adjusted for the previous year's overmarketings and undermarketings.

SOUTHERN MARYLAND

1979/80 Disappearance Gains

During the year ending September 30, 1980, disappearance of Southern Maryland tobacco was 33-1/2 million pounds, 1.4 million above the previous year, and equal to the 1971-78 peak reached in 1974 (table 21).

Domestic use of Maryland tobacco in 1979/80 gained 2-1/2 million pounds from the previous year. Last marketing year's exports totaled 10 million pounds—virtually the same as the previous year. Switzerland's takings were up and now represent about two-thirds of U.S. exports. Because of reduced supplies, total use in the current marketing year may fall below the 1979/80 level.

Supplies Falling

Carryover on January 1, 1981, is estimated to be about 8 million below a year earlier. The 1980 Maryland tobacco crop is estimated at 23 million pounds, 1 million above the previous season but 6 million below the 1974-78 average. Acreage allotments were not in effect because growers have disapproved marketing quotas since 1965. Supply for 1980/81 (current crop plus estimated carryover) is 57 million pounds, 7 million less than a year earlier. Auctions for the 1980 Maryland crop will begin in April 1981.

FIRE-CURED

Auction Prices Rise

Auction markets for Virginia fire-cured tobacco

Table 20—Burley tobacco: Gross sales, average price, and percentage sold before and after the Christmas holidays, crops, 1970-80

Crop	Before holidays			After holidays		
	Gross sales	Average price per lb.	Percentage of crop sold	Gross sales	Average price per lb.	Percentage of crop sold
	Mil. lb.	*Cents*	*Percent*	*Mil. lb.*	*Cents*	*Percent*
1970	494.9	72.2	83.7	96.1	70.7	16.3
1971	404.5	80.4	81.3	92.9	83.0	18.7
1972	490.4	79.2	78.6	133.6	70.2	21.4
1973	379.5	93.2	76.4	117.3	91.5	23.6
1974	505.5	116.0	75.8	161.4	107.2	24.2
1975	457.7	104.4	66.8	238.0	107.5	32.2
1976	467.4	115.0	65.0	252.2	113.0	35.0
1977	492.4	119.6	75.2	162.0	121.7	24.8
1978	474.6	131.9	71.7	186.9	129.3	28.3
1979	350.0	145.6	70.9	143.7	144.3	29.1
1980	[1] 385.0	[1] 165.9	[2] 65.0			

[1] Through December 11. [2] Estimated, based on December crop estimate with allowance for resales.

Compiled from *Tobacco Market Review* Burley, issued annually, Agricultural Marketing Service.

Table 21—Southern Maryland tobacco, type 32: Acreage, yield, production, carryover, supply, disappearance, season average price, 1971-80

Marketing year[1]	Acreage harvested	Yield per acre	Supply			Total	Disappearance		Average price per pound to growers
			Production	Stocks, following Jan. 1	Total		Domestic	Exports	
	Thousand acres	*Pounds*	*Million pounds*						*Cents*
1971	27.0	1,040	28.1	46.0	74.1	25.5	17.5	8.0	81.9
1972	24.0	990	23.8	46.6	70.4	25.5	13.4	12.1	84.5
1973[2]	27.8	1,260	35.0	43.8	78.8	26.1	13.8	12.3	87.8
1974[2]	26.0	1,260	32.8	51.7	84.5	33.5	25.0	8.5	92.2
1975[2]	23.5	950	21.1	53.6	74.7	34.8	25.1	9.7	107.5
1976[2]	23.0	1,300	29.9	41.9	71.8	29.7	17.2	12.5	110.0
1977[2]	23.0	1,310	30.1	45.3	75.4	28.3	18.9	9.4	115.1
1978[2]	22.0	1,390	30.6	41.9	72.5	31.1	21.1	10.1	123.1
1979[2 3]	22.0	1,000	22.1	41.3	63.4	33.5	23.5	10.0	139.7
1980[4]	22.0	1,050	23.1	32.5	55.6				

[1] Year beginning October 1. [2] Includes sales and certification. [3] Subject to revision. [4] November crop prospects and estimated stocks.

(type 21) opened December 2, with prices for the first 3 sales averaging-$1.33 cents per pound, 16 cents above last season. Last year's reduced output caused 1979's prices to rise sharply, with the season average going 13 cents per pound above 1978. This year's Virginia crop is 1 million pounds less than last year's. Auctions for Kentucky-Tennessee fire-cured (types 22 and 23) are expected to open around the middle of January.

Short Crop Brings Supplies Down

At an estimated 34 million pounds, the 1980 fire-cured crop is 11 million pounds or 24 percent less than a year ago. The reduced acreage and yield are a continuation of 1979's pattern. The lower crop plus a slightly enlarged carryover brings the 1980/81 supply of fire-cured types to 112 million pounds. Based on last season's use, this supply would last 2-1/2 years. On October 1, the beginning of the marketing year, loan stocks had reached 22 million pounds. Annual disappearance varies widely from year to year, but total carryover next October will probably decline (table 22).

Disappearance Rises

Disappearance of fire-cured types in 1979/80 was about 44 million pounds—2 million above the previous season. Domestic use of these types increased as snuff and fine cut chewing tobacco increased. Exports of both Kentucky-Tennessee fire-cured decreased while Virginia fire-cured types increased.

In Malawi, the largest exporter outside the United States, production in 1979 was 44 million pounds and at mid-year the 1980 crop was estimated at 22 million pounds. Large surplus stocks had developed and growers reduced the 1980 crop.

DARK AIR-CURED

Auction Prices Mixed

Auction markets for One Sucker and Green River tobaccos (Kentucky-Tennessee dark air-cured, types 35-36) opened December 8 and December 2, respectively. Auctions for Virginia sun-cured (type 37) opened December 9. Growers received more than last season for both types 35 and 36. Loan receipts were down.

Supplies Lower

At an estimated 15 million pounds, the dark air-cured crop was down 10 percent from 1979.

The supply of dark air-cured and sun-cured tobacco for 1980/81, at 51 million pounds, is 1.7 million below the 1979/80 total. Total supplies of dark air-cured tobacco represent about 3 years' use, based on last year's disappearance. Carryover is expected to decrease, since disappearance is going above current production (table 23).

Disappearance Off

Disappearance of dark air-cured tobacco during 1979/80 was 17 million pounds, about 2 million below the previous marketing year, as domestic use and exports declined. While chewing tobacco output gained, other uses declined. Higher prices for the 1979 crop may have helped to curtail use of dark air-cured tobaccos.

CIGAR TOBACCO

U.S. and Puerto Rican Supplies Stabilize

Supplies of U.S. and Puerto Rican cigar tobacco are about the same as in 1979, with consumption and production again in close balance. October 1 carryover is down, but 1980/81 production is above a year earlier (table 24). However, the supplies of cigar filler and wrapper types continued to decline; binder supply gained. On October 31, government loan stocks stood at 9 million pounds of cigar tobacco, 1 million above a year earlier.

Production of U.S. cigar types is forecast one-tenth above 1979's outturn. Acreage and yields increased as the filler crop recovered from 1979's blue mold disease. However, the Wisconsin binder crop is below early season estimates because of excessive rains during August and September. U.S. cigar leaf tobacco is sold either directly on farms or through cooperatives. As of early December, no sales had been reported. Season average prices will be published in the May 1981 issue of USDA's Crop Report.

Filler and Wrapper Supplies Decrease

Supplies of continental cigar filler (U.S. and Puerto Rican types 41-46) decreased slightly to 91 million pounds because of the reduced carryover. Filler production was 5 million pounds more in 1980, but carryover fell. Based on recent annual disappearance, carryover is likely to decline by the end of the marketing year.

Cigar wrapper tobacco supplies for 1980/81 are about 1 5 million pounds below last year, with both Connecticut Valley and Georgia-Florida wrapper supplies down. Type 62 tobacco has not been grown

Table 22– Fire-cured tobacco, Kentucky-Tennessee types 22-23, and Virginia fire-cured type 21: Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1971-80

(Farm-sales weight)

Marketing year beginning October 1	Acreage harvested	Yield per acre	Production	Beginning stocks			Total supply
				Manufacturers and other	Under loan	Total	
	Thousand acres	*Pounds*	*Million pounds*				
	Kentucky-Tennessee fire-cured, types 22-23						
1971	19.5	1,928	37.6	48.6	4.7	53.3	90.9
1972	20.4	1,844	37.6	55.0	1.2	56.2	93.8
1973	16.6	1,668	27.7	54.2	3.1	57.3	85.0
1974	16.2	1,602	26.0	44.0	1.1	45.1	71.1
1975	18.4	1,772	32.6	40.5	.1	40.7	73.3
1976	21.2	1,567	33.2	42.6	(1)	42.6	75.8
1977	25.6	1,767	45.2	41.2	(1)	41.2	86.4
1978	27.1	1,898	51.4	50.0	1.0	51.0	102.4
1979	22.1	1,791	39.6	54.0	11.1	65.1	104.7
1980[2]	19.4	1,572	30.4	48.9	19.1	68.0	98.4
	Virginia fire-cured, type 21						
1971	5.0	1,180	5.9	8.0	1.0	9.0	14.9
1972	4.8	970	4.7	7.9	.4	8.3	13.0
1973	4.7	1,205	5.7	7.6	(1)	7.6	13.3
1974	5.0	1,185	5.9	7.1	—	7.1	13.0
1975	5.0	975	4.9	7.1	.3	7.3	12.2
1976	5.3	1,000	5.3	7.4	(1)	7.4	12.7
1977	7.2	1,000	7.2	7.0	(1)	6.7	13.9
1978	6.1	1,120	6.8	7.9	.8	8.7	15.5
1979	4.8	1,135	5.4	8.2	2.7	10.9	16.3
1980[2]	4.0	1,000	4.0	6.0	3.3	9.3	13.3

	Disappearance			Average price per pound	Price support level	Placed under loan	
	Total	Domestic	Exports			Quantity	Percentage of crop
	Million pounds			*Cents*		*Million pounds*	*Percent*
	Kentucky-Tennessee fire-cured, types 22-23						
1971	34.7	16.0	18.7	60.8	48.5	(1)	.1
1972	36.5	14.2	22.3	57.3	50.8	2.8	7.4
1973	39.9	15.7	24.2	71.7	53.5	.2	.7
1974	30.3	14.5	15.8	93.4	58.2	.7	2.7
1975	30.7	12.2	18.5	104.7	65.2	.1	.4
1976	34.6	11.2	23.4	142.4	74.1	(1)	—
1977	35.4	17.4	18.0	125.6	79.5	1.1	2.4
1978	37.3	15.1	22.2	113.6	84.6	11.3	22.2
1979	36.7	18.0	18.7	115.2	90.3	11.4	28.8
1980					98.9		
	Virginia fire-cured, type 21						
1971	6.6	3.1	3.5	54.8	48.5	.1	1.0
1972	5.4	1.3	4.1	64.2	50.8	(1)	.1
1973	6.2	1.7	4.5	75.5	53.5	(1)	—
1974	5.7	.7	5.0	81.7	58.2	.3	4.5
1975	4.8	1.4	3.4	93.0	65.2	(1)	.9
1976	6.1	[3]2.0	4.1	118.0	74.1	.1	1.5
1977	5.2	2.8	2.4	96.2	79.5	1.0	14.4
1978	4.6	1.0	3.6	94.5	84.6	1.8	26.2
1979	7.0	3.2	3.8	107.9	90.3	.9	16.3
1980				[4]137.1	98.9	(1)	.5

[1] Less than 50,000 pounds. [2] Based on November 1 crop prospects. [3] Includes 400,000 pounds fire loss, December 1976. [4] Through December 12. —Less than .05 percent.

Table 23—Dark air-cured tobacco, types 35-36, and Sun-cured tobacco type 37: Acreage, yield production, carryover, supply, disappearance, season average price, and price support operations, 1971-80

(Farm-sales weight)

Marketing year beginning Oct. 1	Acreage harvested	Yield per acre	Production	Beginning stocks: Manufacturers and others	Beginning stocks: Under loan	Beginning stocks: Total	Total supply
	Thousand acres	*Pounds*		*Million pounds*			
	Dark air-cured, types 35-36						
1971	8.6	1,834	15.7	35.5	14.3	49.8	65.5
1972	8.2	1,875	15.5	33.5	12.7	46.2	61.7
1973	7.6	1,647	12.4	31.9	12.8	44.7	57.1
1974	7.0	1,653	11.6	31.4	5.5	36.9	48.5
1975	8.0	1,750	14.0	32.7	(1)	32.9	46.9
1976	9.3	1,660	15.1	28.2	—	28.2	43.3
1977	11.2	1,809	20.4	26.1	—	26.1	46.5
1978	11.2	1,969	22.2	30.4	(1)	30.4	52.6
1979	9.7	1,665	16.1	30.0	4.1	34.1	50.2
1980[2]	9.3	1,579	14.7	28.6	5.6	34.2	48.9
	Sun-cured, type 37						
1971	.9	1,200	1.1	3.1	0	3.1	4.2
1972	.8	1,010	.8	3.0	0	3.0	3.8
1973	.7	1,320	.9	3.2	0	3.2	4.1
1974	.7	1,315	.9	3.0	0	3.0	3.9
1975	.7	930	.7	2.3	0	2.3	3.0
1976	.7	1,115	.8	2.1	0	2.1	2.9
1977	.8	1,030	.8	1.8	0	1.8	2.6
1978	.7	1,205	.9	1.8	0	1.8	2.7
1979	.5	1,055	.6	2.2	0	2.2	2.8
1980[2]	.4	1,050	.4	2.0	0	2.0	2.4

Marketing year beginning Oct. 1	Disappearance: Total	Disappearance: Domestic	Disappearance: Exports	Average price per pound	Price support level	Placed under loan: Quantity	Placed under loan: Percentage of crop
	Million pounds			*Cents*		*Million pounds*	*Percent*
	Dark air-cured, types 35-36						
1971	19.3	17.4	1.9	47.1	43.1	1.7	10.7
1972	17.0	14.7	2.3	50.3	45.2	1.2	.8
1973	20.2	17.4	2.8	61.9	47.6	(1)	.2
1974	15.6	12.8	2.8	76.9	51.8	.4	3.7
1975	18.7	16.1	2.6	89.8	58.0	.1	.5
1976	17.2	15.1	2.1	116.6	65.9	(1)	—
1977	16.1	13.6	2.4	117.7	70.7	(1)	—
1978	18.4	15.7	2.7	100.8	75.2	4.3	19.7
1979[3]	16.0	14.2	1.8	107.8	80.4	2.2	13.3
1980				[5]126.2	88.0	[5].3	9.4
	Sun-cured, type 37						
1971	1.2	1.0	.2	54.1	43.1	0	—
1972	.6	.4	.2	57.9	45.2	0	—
1973	1.1	.9	.2	69.2	47.6	0	—
1974	1.6	1.3	.3	82.1	51.8	[4]13	1.4
1975	.9	.7	.2	85.5	58.9	0	—
1976	1.1	.9	.2	105.0	65.9	0	—
1977	.8	.6	.1	100.0	70.7	[4]13	1.6
1978	.5	.3	.2	88.8	75.2	[4]109	12.4
1979[3]	.8	.6	.2	90.8	80.4	[4]30	5.2
1980				[5]125.5	88.0	[5]0	

[1] Less than 50,000 pounds. [2] Based on November 1 crop prospects and estimated stocks. [3] Estimated disappearance. [4] Quantity placed under loan in thousands of pounds. [5] Through December 12. —Less than .05 percent.

Table 24—Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average prices, 1971-80

(Farm-sales weight)

Crop year[1]	Acreage harvested	Yield per acre	Supply			Disappearance			Average price per pound to growers
			Production	Beginning stocks[1]	Total supply	Total	Domestic	Exports	
	Thousand acres	*Pounds*	*Million pounds*						*Cents*
	Pennsylvania Seedleaf Filler (type 41)								
1971	15.2	1,610	24.5	87.0	111.5	41.3	40.6	.4	36.0
1972	13.0	1,400	18.2	70.2	88.4	34.7	34.4	.3	46.0
1973	13.0	1,700	22.1	53.7	75.8	28.3	27.5	.8	52.0
1974	13.0	2,000	26.0	47.5	73.5	24.3	24.0	.3	58.0
1975	12.0	1,650	19.8	49.2	69.0	22.2	21.8	.4	58.0
1976	13.5	1,750	23.6	46.8	70.4	20.7	20.3	.4	60.0
1977	13.5	1,940	26.2	49.7	75.6	21.8	21.6	.2	60.0
1978	13.0	1,940	25.2	54.1	79.3	23.6	23.5	.1	62.0
1979[2]	11.2	1,580	17.7	55.7	73.4	24.3	24.0	.3	72.0
1980[2]	13.0	1,750	22.8	49.1	71.9				
	Ohio, Miami, Valley Filler (types 42-44)								
1971	2.0	1,850	3.8	7.8	11.6	4.6	4.6	---	41.0
1972	2.4	1,780	4.2	7.0	11.2	4.4	4.4	---	44.0
1973	2.2	1,420	3.1	6.8	9.9	4.0	4.0	---	51.0
1974	2.0	1,530	3.1	5.9	9.0	3.1	3.1	---	59.0
1975	1.8	1,660	3.0	5.9	9.1	3.4	3.4	---	60.0
1976	1.8	1,550	2.8	5.7	8.5	2.5	2.5	---	59.0
1977	1.8	2,025	3.6	6.0	9.6	2.6	2.6	---	62.0
1978	1.6	1,850	3.0	7.0	10.0	3.7	3.7	---	64.0
1979[2]	1.3	1,500	2.0	6.3	8.3	4.5	4.5	---	87.0
1980[2]	1.5	1,700	2.6	3.8	6.4				
	Puerto Rico Filler (type 46)[3]								
1971	4.8	1,418	6.7	15.0	21.7	9.0	9.0	---	39.8
1972	5.6	883	4.8	12.7	17.5	8.3	8.3	---	42.1
1973	4.5	1,435	6.5	9.2	15.7	5.7	5.7	---	42.1
1974	2.7	1,477	3.9	10.0	14.0	7.9	7.9	---	45.5
1975	2.7	1,500	4.3	6.1	10.4	3.2	3.2	---	50.7
1976	2.8	1,429	4.1	7.2	11.3	4.9	4.9	---	57.6
1977	2.6	1,480	3.9	6.4	10.3	3.9	3.9	---	60.2
1978	2.2	1,400	3.1	6.4	9.5	2.6	2.6	---	57.0
1979[2]	2.0	1,000	2.0	6.9	8.9	.8	.8	---	69.1
1980[2]	1.8	1,400	2.5	8.1	10.6				
	Total Cigar Filler (types 41-46)								
1971	22.0	1,587	35.0	109.8	144.8	54.9	54.5	.4	37.3
1972	21.0	1,293	27.2	89.9	117.1	47.4	47.1	.3	45.0
1973	19.7	1,450	31.7	69.7	101.4	38.0	37.2	.8	49.7
1974	18.0	1,850	33.1	63.4	96.5	35.3	35.0	.3	56.6
1975	17.3	1,630	27.3	61.2	88.5	28.8	28.4	.4	56.2
1976	18.2	1,676	30.5	59.7	90.2	28.1	27.7	.4	59.4
1977	17.9	1,883	33.7	62.1	95.8	28.3	27.0	.3	60.2
1978	16.8	1,863	31.3	67.5	98.8	29.9	29.8	.1	61.5
1979[2]	14.5	1,475	21.7	68.9	90.6	29.6	29.3	.3	73.1
1980[2]	16.3	1,666	27.9	61.0	88.9				
	Connecticut Valley Binder (types 51-52)								
1971	1.6	1,743	2.8	7.2	10.0	2.6	2.5	.1	65.1
1972	1.6	1,600	2.5	7.4	9.9	2.4	2.3	.1	70.1
1973	1.6	1,721	2.7	7.5	10.2	3.2	3.1	.1	72.8
1974	1.5	1,737	2.5	7.0	9.5	3.3	3.1	.2	82.0
1975	1.5	1,568	2.4	6.2	8.6	4.3	4.1	.2	92.7
1976	1.5	1,605	2.4	4.3	6.7	2.4	2.3	.1	89.6
1977	1.4	1,784	2.5	4.3	6.8	1.9	1.9	*	121.3
1978	1.5	1,734	2.6	4.9	7.5	2.1	2.0	.1	144.9
1979[2]	1.7	1,665	2.8	5.5	8.3	2.6	2.4	.2	155.5
1980[2]	1.5	1,753	2.7	5.7	8.4				
	Southern Wisconsin Binder (type 54)								
1971	5.3	2,270	12.0	18.8	30.8	10.5	10.5	---	55.6
1972	5.0	1,685	8.4	20.3	28.7	9.3	8.3	---	48.0
1973	4.9	1,950	9.6	19.4	29.0	10.1	10.1	---	60.5
1974	4.7	2,060	9.7	18.9	28.6	8.8	8.8	---	74.9
1975	5.6	1,945	10.9	19.8	30.7	7.5	7.5	---	75.1
1976	5.6	1,890	10.6	23.2	33.8	10.0	10.0	---	74.7
1977	6.2	2,020	12.5	23.8	36.3	10.2	10.2	---	84.6
1978	6.2	1,800	11.2	26.0	37.2	11.4	11.4	---	100.5
1979[2]	6.3	2,080	13.1	25.8	38.9	---	---	---	117.0
1980[2]	6.2	1,950	12.1	---	---				
	Northern Wisconsin Binder (type 55)								
1971	5.3	1,980	10.5	18.4	28.9	9.9	9.9	---	54.0
1972	5.8	1,770	10.3	19.0	29.3	9.8	9.8	*	49.0
1973	5.3	1,775	9.4	19.5	28.9	12.0	12.0	*	60.7
1974	4.7	1,870	8.8	16.9	25.7	9.9	9.9	*	75.4
1975	5.4	1,835	9.9	15.8	25.7	9.7	9.6	.1	75.1
1976	5.5	1,750	9.6	16.0	25.6	9.4	9.4	*	75.2
1977	5.8	2,045	11.9	16.2	28.1	9.1	9.1	.1	85.5
1978	5.9	1,550	9.1	19.1	28.2	8.9	8.9	.1	100.5
1979[2]	6.6	1,900	12.5	19.3	31.8	---	---	*	117.0
1980[2]	6.6	1,850	12.2	---	---				

See footnotes at end of table.

Table 24—Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average prices, for 1971-80—Cont.

(Farm-sales weight)

Crop year	Acreage harvested	Yield per acre	Supply			Disappearance			Average price per pound to growers
			Production	Beginning stocks[1]	Total supply	Total	Domestic	Exports	
	Thousand acres	*Pounds*	*Million pounds*						*Cents*
	Total Wisconsin Binder (types 54-55)								
1971	10.6	2,125	22.5	37.2	59.7	20.4	20.4	*	54.9
1972	10.8	1,731	18.7	39.3	58.0	19.1	19.1	*	48.5
1973	10.2	1,859	19.0	38.9	57.9	22.2	22.2	*	60.6
1974	9.4	1,965	18.5	35.8	54.3	18.7	18.7	*	75.1
1975	11.0	1,891	20.8	35.6	56.4	17.2	17.1	.1	75.1
1976	11.1	1,821	20.2	39.2	59.4	19.4	19.4	*	75.2
1977	12.0	2,032	24.4	40.0	64.4	19.3	19.3	.1	85.0
1978	12.1	1,678	20.3	45.1	65.4	20.0	20.0	*	100.5
1979[2]	12.9	1,988	25.6	45.3	70.9	22.0	22.0	*	117.0
1980[2]	12.8	1,898	24.3	48.9	73.2				
	Total Cigar Binder (types 51-55)								
1971	12.2	2,075	25.3	44.4	69.7	23.0	22.9	.1	56.1
1972	12.4	1,714	21.2	46.7	67.9	21.5	21.4	.1	51.1
1973	11.8	1,841	21.7	46.4	68.1	25.4	25.3	.1	62.1
1974	10.9	1,934	21.0	42.8	63.8	22.0	21.8	.2	76.0
1975	12.5	1,851	23.2	41.8	65.0	21.5	21.2	.3	76.9
1976	12.6	1,795	22.6	43.5	66.1	21.8	21.6	.2	76.5
1977	13.4	2,007	26.8	44.3	71.1	21.1	21.1	.1	88.4
1978	13.6	1,684	22.9	50.0	72.9	22.2	22.1	.1	105.6
1979[2]	14.6	1,951	28.5	50.8	79.3	24.6	24.4	.2	120.8
1980[2]	14.3	1,883	27.0	54.6	81.6				
	Connecticut Valley Shade-grown (type 61)								
1971	4.7	1,635	7.7	13.9	21.6	8.4	5.7	2.7	400.0
1972	4.1	1,250	5.1	13.2	18.3	7.6	4.8	2.8	485.0
1973	5.0	1,210	6.1	10.7	16.8	8.3	6.4	1.9	515.0
1974	4.8	1,625	7.8	8.5	16.3	6.8	2.8	3.9	600.0
1975	4.4	1,371	6.0	9.5	15.5	8.0	4.2	3.8	640.0
1976	4.2	1,555	6.6	7.5	14.1	5.2	1.8	3.4	540.0
1977	3.3	1,544	5.1	8.9	14.0	4.7	.5	4.2	600.0
1978	2.7	1,392	3.8	9.3	13.1	5.0	.1	4.9	750.0
1979[2]	2.7	1,472	4.0	8.1	12.1	5.4	.2	5.2	850.0
1980[2]	3.1	1,560	4.9	6.7	11.6				
	Georgia-Florida Shade-grown (type 62)								
1971	3.0	1,582	4.7	8.1	12.8	6.2	5.4	.8	262.0
1972	3.0	1,517	4.6	6.6	11.2	4.2	3.8	.4	280.0
1973	2.6	1,413	3.7	7.0	10.7	4.2	3.7	.5	350.0
1974	1.9	1,724	3.2	6.5	9.7	3.6	3.1	.5	380.0
1975	1.1	1,556	1.7	6.2	7.9	1.9	1.5	.4	400.0
1976	.4	1,680	.6	6.0	6.6	2.4	2.0	.4	395.1
1977	.1	1,630	.2	4.2	4.4	1.1	.6	.5	400.0
1978	0	—	0	3.4	3.4	1.3	.9	.4	—
1979[2]	0	—	0	2.1	2.1	1.1	.7	.4	—
1980[2]	0	—	0	1.0	1.0				
	Total Shade-grown (types 61-62)								
1971	7.7	1,614	12.4	22.0	34.4	14.6	11.1	3.5	347.5
1972	7.1	1,365	9.7	19.8	29.5	11.8	8.6	3.2	387.0
1973	7.6	1,280	9.8	17.7	27.5	12.5	10.1	2.4	452.2
1974	6.6	1,652	11.0	15.0	26.0	10.4	6.0	4.4	536.1
1975	5.5	1,409	7.7	15.7	23.4	9.8	5.6	4.2	585.7
1976	4.6	1,565	7.2	13.6	20.8	7.0	3.8	3.8	528.2
1977	3.4	1,547	5.3	13.1	18.4	5.8	1.0	4.8	591.4
1978	2.7	1,392	3.8	12.7	16.5	6.3	1.0	5.3	750.0
1979[2]	2.7	1,472	4.0	10.2	14.2	6.5	.9	5.6	850.0
1980[2]	3.1	1,560	4.9	7.7	12.6				
	Grand Total Cigar Tobacco (types 41-62)								
1971	41.9	1,734	72.7	176.2	248.9	92.5	88.5	4.0	96.7
1972	40.4	1,434	58.1	156.4	214.5	80.7	77.1	3.6	104.4
1973	39.1	1,627	63.2	133.8	197.0	75.9	72.6	3.3	116.1
1974	35.5	1,834	65.3	121.2	186.5	67.7	62.8	4.9	142.5
1975	35.4	1,635	57.9	118.6	176.5	60.1	55.2	4.9	135.1
1976	35.4	1,700	60.3	116.8	177.1	57.5	53.1	4.4	121.4
1977	34.7	1,900	65.9	119.5	185.4	55.2	50.0	5.2	114.9
1978	33.1	1,752	58.0	130.1	188.2	58.6	53.1	5.5	122.1
1979[2]	31.8	1,717	54.1	129.7	183.8	60.7	54.6	6.1	155.6
1980[2]	34.5	1,774	59.8	123.3	183.1				

[1] October 1 for types 41-55; July 1 for types 61-62. [2] November crop prospects. [3] Puerto Rican planting occurs late in calendar year; projected for 1980. [4] Price per pound excludes payment by Puerto Rican Government. *Less than 50,000 pounds.

since 1977. Carryover next July 1 is likely to continue the long downtrend.

Manufacturers used about the same imports in 1979/80 (October-September), in response to reduced cigar production and increased chewing tobacco output. Last season, 69 million pounds (farm sales weight) of cigar tobacco was imported for consumption. Foreign-grown cigar leaf stocks in the United States on October 1 were 93 million pounds—about 2 million below a year earlier.

Binder Supplies Increase

Binder tobacco supplies have increased for 1980/81 with a larger carryover. Cigar binder disappearance last season was 25 million pounds, up from a year earlier. The principal outlet for cigar binder, looseleaf chewing tobacco, is on the upswing. Binder disappearance may gain again this year, still a stock increase is likely.

OBITUARY

Arthur G. Conover, 68, the principal author of the *Tobacco Situation* from 1946 to 1967, died November 29, 1980, at a hospital in Cape May Court House, N.J., after a heart attack. He had lived in New Jersey since retiring from USDA in 1969.

At that time he was assistant to the director of the Economic and Statistical Analysis Division in Economic Research Service. For many years he headed the Tobacco and Specialty Crops Section in that division.

Mr. Conover was born in Freehold, N.J. He graduated from Rutgers University and earned a master's degree from American University. He started work at USDA as a statistician with the Agricultural Adjustment Administration in 1934. During World War II he served in the Merchant Marine and the War Food Administration.

He is survived by his wife, Ruth, of Stone Harbor, and by two daughters and one grandchild. A son preceded him in death.

Table 25 --Tobacco: Acreage, yield, production, stocks, supply, disappearance, price and crop value, United States and Puerto Rico, 1947-79
(Farm-sales weight)

Crop year	Acreage	Yield per acre	Production	Stocks 1/	Supply	Disappearance 1/			Average price per pound to growers	Crop value
						Total	Domestic	Exports		
	1,000 acres	Pounds	Million pounds						Cents	Million dollars
	United States									
Average:										
1947-49	1,676	1,208	2,019	2,947	4,965	1,908	1,417	491	45.9	926
1950-54	1,690	1,292	2,184	3,382	5,566	2,006	1,479	527	51.2	1,118
1955-59	1,242	1,541	1,914	4,095	6,009	1,951	1,397	554	56.0	1,072
1960-64	1,159	1,879	2,178	3,911	6,089	2,037	1,468	569	60.0	1,307
1965	977	1,898	1,855	4,496	6,351	2,000	1,462	538	65.1	1,207
1966	972	1,939	1,885	4,351	6,236	2,098	1,392	704	66.5	1,252
1967	960	2,050	1,968	4,140	6,108	2,020	1,372	648	66.8	1,316
1968	879	1,945	1,710	2/4,088	5,798	1,975	1,352	623	69.5	1,189
1969	918	1,964	1,803	3,823	5,626	1,949	1,308	640	71.8	1,296
1970	898	2,122	1,906	3,678	5,584	1,919	1,278	639	72.9	1,389
1971	839	2,034	1,705	2/3,667	5,372	1,883	1,312	571	78.6	1,340
1972	842	2,076	1,749	2/3,488	5,237	1,951	1,312	639	83.0	1,451
1973	889	1,963	1,746	2/3,289	5,035	2,081	1,348	732	90.0	1,572
1974	963	2,067	1,994	2/2,948	4,942	1,937	1,284	653	108.6	2,160
1975	1,083	2,015	2,182	2/3,003	5,185	1,941	1,286	655	102.6	2,239
1976	1,045	2,045	2,136	3,297	5,433	1,907	1,229	678	112.5	2,404
1977	958	1,997	1,913	2/3,540	5,452	1,895	1,202	693	118.6	2,268
1978 2/	948	2,135	2,054	2/3,560	5,584	1,955	1,190	765	132.4	2,679
1979 3/	826	1,848	1,527	2/3,601	5,128	1,869	1,175	694	141.1	2,160
1980 3/	923	1,930	1,781	3,258					4/148.7	4/2,649
	United States and Puerto Rico									
Average:										
1947-49	1,710	1,200	2,045	3,012	5,057	1,942	1,447	495	45.6	932
1950-54	1,728	1,282	2,215	3,430	5,645	2,036	1,508	527	50.9	1,127
1955-59	1,270	1,528	1,941	4,147	6,088	1,981	1,426	555	55.6	1,080
1960-64	1,188	1,861	2,211	3,957	6,168	2,066	1,497	569	59.7	1,319
1965	994	1,882	1,871	4,559	6,430	2,027	1,489	538	64.8	1,212
1966	981	1,934	1,899	4,403	6,300	2,121	1,415	704	66.2	1,256
1967	967	2,045	1,979	4,181	6,160	2,037	1,390	648	66.7	1,319
1968	885	1,941	1,718	2/4,122	5,840	1,992	1,368	623	69.3	1,191
1969	923	1,960	1,810	3,849	5,658	1,961	1,320	640	71.7	1,298
1970	902	2,120	1,912	3,698	5,609	1,928	1,288	639	72.9	1,391
1971	844	2,031	1,714	2/3,682	5,394	1,893	1,321	571	78.5	1,342
1972	848	2,068	1,759	2/3,501	5,260	1,959	1,320	639	82.9	1,453
1973	894	1,960	1,752	2/3,298	5,050	2,087	1,355	732	89.8	1,574
1974	966	2,066	1,998	2/2,958	4,956	1,941	1,288	653	108.5	2,162
1975	1,087	2,013	2,186	3,009	5,195	1,945	1,290	655	102.5	2,241
1976	1,048	2,042	2,140	3,305	5,445	1,912	1,234	678	112.4	2,406
1977	960	1,995	1,915	2/3,546	5,461	1,899	1,206	693	118.5	2,270
1978	950	2,133	2,027	2/3,567	5,594	1,958	1,193	765	132.3	2,684
1979 3/	826	1,846	1,529	2/3,608	5,137	1,870	1,176	694	141.0	2,161
1980 3/	924	1,929	1,783	3,267	5,050					

1/ For flue-cured and cigar wrapper, year beginning July 1; for all other types, October 1. 2/ Includes tobacco carried over on farms; 1968, 13 million pounds; 1971, 16 million pounds; 1972, 17 million pounds; 1973, 7 million pounds for flue-cured and 13 million pounds for burley; 1974, 5 million pounds; 1977, 21 million pounds; 1978, 23 million pounds; 1979, 29 million pounds. 3/ Subject to revision. 4/ Estimated.

COSTS OF PRODUCING BURLEY TOBACCO: 1979 AND 80 AND PROJECTED 1981

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ABSTRACT: Following a 13-percent increase this year in the variable costs per acre of producing burley tobacco, these costs may rise another 13 percent in 1981. Total costs, excluding land and quota, will likely be about 12 percent higher next year. However, the total cost per 100 pounds will drop in 1981 if yields are similar to those of 1976 and 1978. These estimates are based on a 1977 survey of 790 burley tobacco producers in the Bluegrass and south central areas of Kentucky and north central and eastern Tennessee, updated with prices for 1979 and 1980, and projected prices for 1981. The level of technology and the input mix for 1979-81 are assumed the same as in 1976.

KEYWORDS: Burley tobacco, variable costs, total costs, yield.

INTRODUCTION

The costs of producing burley tobacco during 1979 and 1980, with projections for 1981, are presented in this article. The major source of data for the cost estimates is a 1977 survey (1976 costs) of 790 burley tobacco producers in five major Kentucky and Tennessee production areas (table 1). The data have been updated from the 1976 base period by use of price indexes for individual input items. [1] The level of technology and the input mix for 1979-81 are assumed to be the same as in 1976.

Production costs vary widely from farm to farm because of differences in management, labor productivity, and a host of other factors. Costs reported here reflect the average costs of farmers in the specified production areas.

The cost estimates cover variable costs, machinery and barn ownership, and general farm overhead. Variable costs include expenditures for all labor, fertilizer and lime, pesticides, sucker control chemicals, curing and heating fuel, custom operations such as plowing and disking, fuel and lubricants, repairs, tobacco crop insurance, marketing fees, and other costs such as seed and plant bed canvas. Hired, family, and exchange labor are all charged at prevailing farm wage rates. Machinery ownership and barn ownership costs reflect the estimated age distribution of these items for the years for which costs are calculated. General farm overhead includes costs for recordkeeping, utilities, and other items that are difficult to allocate to specific enterprises.

Two additional cost components, management and land and equota (right to market tobacco without penalty), are also estimated. The management charge is computed as 7 percent of the value of the crop. Crop value was computed for 1979 using the average annual price received by farmers and estimated 1979 yields. For the 1980 preliminary estimate, the first week's price average of $1.66 a pound was used, and this price is projected for 1981. Indicated 1980 yields, as of November 1, were 8 percent higher than the 1979 yields, but still 14 percent

[1] For a more complete discussion of concepts and procedures which underlie burley tobacco production cost estimates, refer to "Costs of Producing Burley Tobacco-1976," by Verner N. Grise, TOBACCO SITUATION, TS-163, Washington D.C., USDA, December 1978, pp. 29-34. For 1978 production cost estimates refer to, "Costs of Producing Burley Tobacco: 1978-79 and Projected 1980," by Verner N. Grise, TOBACCO SITUATION, TS-170, Washington D.C., USDA, December 1979, pp. 27-31.

lower than the 1976 base period yields. The yield for 1981 is assumed to be 2,180 pounds per acre, the same as for the 1976 base period.

The charge for land and quota is based on the net share rent approach. Net share rent is that which is left of the landlord's share of the crop after subtracting landlord payments for fertilizer, chemicals, and other inputs and allocating barn ownership costs.

COST CHANGES FROM 1979 TO 1980

Variable costs of producing burley tobacco rose 13 percent per acre in 1980 (tables 2 and 4). However, the increase was only 5 percent per 100 pounds because yields were higher in 1980 than in 1979. [2]

Labor costs account for nearly two-thirds of all variable costs of producing burley tobacco. Wage rates rose by 8 percent in 1980. A major factor in the wage increase was a 20-cent boost in the Federal minimum wage rate, from $2.90 per hour to $3.10 for covered farm employees.[3] Effective January 1, 1980, the higher minimum wage rate affected all farm employers, since they are all competing for workers.

Among other variable costs, fuel prices jumped by 40 percent and fertilizer prices by 25 percent.

Total costs, excluding land and quota, are estimated at $2,809 per acre in 1980, up from $2,499 per acre in 1979. Total costs per 100 pounds of tobacco rose from $142.95 to $149.43. Higher purchase prices of new machinery and higher construction costs of new barns contributed to the increase.

Land and quota charges averaged $53.78 per 100 pounds in 1980, compared with $46.92 in 1979. The increase reflects higher tobacco prices that more than offset larger landlord expenditures. Land and quota costs were higher in 1980 than in 1979, using the net share rent approach, even though quota lease rates may have dropped. If quota lease rates continue lower, share rent arrangements may be changed to reflect the rates.

PROJECTED COSTS IN 1981

Per acre variable costs of producing burley are expected to rise by about 13 percent in 1981. Total costs per acre, excluding land and quota, are expected to rise by 12 percent. Despite the estimated increase in input costs, the variable costs per 100 pounds are projected to drop by $2.74 because of expected higher yields in 1981. This estimate assumes yields similar to those in 1976 and 1978.

Wage rates are likely to rise again, with the minimum wage rate a major factor. Beginning in January 1981, the Federal minimum wage for covered employees will increase again, from $3.10 to $3.35 per hour.

Fertilizer prices are expected to increase by about 14 percent in 1981 because of relatively strong demand and increased costs of manufacturing fertilizer.

Gasoline and diesel prices will continue to rise because of increased costs of processing and supplying these fuels.

Pesticide prices are expected to rise by about 12 percent because of increased costs of material used in their manufacture—particularly petroleum-based materials.

Assuming a recovery in yields, total costs, excluding land and quota, are projected at $143.67 per 100 pounds in 1981, down $5.76 from 1980. Together with variable costs, the costs of machinery, equipment, and barns will continue upward because of hikes in material and labor. The charge for land and quota per 100 pounds is expected to remain about the same in 1981.

SUMMARY AND CONCLUSIONS

The cost per acre of producing burley tobacco will likely rise by about 12 percent in 1981. Costs per 100 pounds in 1981 will depend on both input price and yield changes. If yields are similar to those in 1976 and 1978, costs per 100 pounds will decline in 1981 compared with 1980, despite the expected large increase in input costs. Wage rates will rise more rapidly than last year while fertilizer and fuel prices will rise more slowly than last year. Machinery, equipment, barn, and repair costs will rise again.

Costs vary markedly from one tobacco grower to another. The cost estimates presented here are aver-

[2] Yield data by production area are not available for 1980.

[3] Farm employers who have hired 500 or more man-days of labor during at least one calendar quarter the previous year are subject to the Federal minimum wage rate.

Table 1--Counties included in burley tobacco production area groupings

Area 1 1/	Area 2 2/	Area 3 3/	Area 4	Area 5
Kentucky	Kentucky	Kentucky	Kentucky	Tennessee
Bourbon	Anderson	Bath	Adair	Campbell
Clark	Bracken	Boyle	Allen	Carter
Fayette	Carroll	Fleming	Casey	Claiborne
Jessamine	Franklin	Garrard	Clinton	Cocke
Mercer	Gallatin	Henry	Cumberland	Grainger
Scott	Grant	Madison	Green	Green
Woodford	Harrison	Marion	Lincoln	Hamblen
	Nicholas	Mason	Monroe	Hancock
	Owen	Montgomery	Pulaski	Hawkins
	Pendleton	Nelson	Russell	Jefferson
	Robertson	Oldham	Taylor	Johnson
		Shelby	Wayne	Sevier
		Spencer		Sullivan
		Trimble	Tennessee	Unicoi
		Washington		Union
			Clay	Washington
			Jackson	
			Macon	
			Pickett	

1/ Includes much of what is usually referred to as the Inner Bluegrass of Kentucky.
2/ Includes counties with more than half their physical area in what is usually termed the Intermediate Bluegrass of Kentucky.
3/ Includes counties with more than half their physical area in what is usually termed the Outer Bluegrass of Kentucky.

ages and probably overstate the costs for a tobacco grower whose tractors, machinery, and barns are fully depreciated. On the other hand, the estimates understate the costs for a tobacco grower with new equipment and new barns. Also keep in mind that the cost estimates include not only out-of-pocket costs but also an opportunity cost for the unpaid inputs of operator and family labor and management.

Table 2--Burley tobacco: Production costs per acre, by cost item, specified areas, 1979

COST ITEM	Area					
	1	2	3	4	5	All
	Dollars per acre					
Variable 1/	1,672.50	1,854.82	1,613.04	1,645.88	1,594.21	1,668.70
Labor 2/	1,093.87	1,181.82	1,054.24	1,094.07	1,046.42	1,090.91
Hired	585.36	434.96	327.51	288.20	288.61	380.31
Family and exchange	199.44	373.72	365.20	393.66	389.99	345.66
Operator	309.07	373.14	361.53	412.21	367.82	364.94
Fertilizer and lime	116.69	184.09	155.02	149.43	164.63	153.12
Pesticides 3/	13.73	8.78	5.33	8.59	5.77	8.49
Sucker control chemicals	13.35	9.73	9.01	11.51	10.20	10.43
Curing and heating fuel 4/	18.31	16.60	9.75	7.04	3.84	10.96
Custom operations 5/	70.55	41.97	40.46	53.07	33.69	47.74
Fuel and lubricants	60.43	80.31	62.70	61.49	65.17	65.60
Repairs	49.57	65.63	45.42	44.14	45.52	49.33
Tobacco crop insurance 6/	34.32	58.95	31.81	24.90	28.67	34.84
Marketing fee	136.66	136.74	131.81	123.11	105.92	126.73
Other 7/	65.02	70.20	67.49	68.53	84.38	70.55
Machinery ownership costs 8/	227.33	309.68	220.89	273.55	362.47	272.69
Barn ownership costs 9/	304.24	223.87	320.33	300.38	310.17	289.47
Insurance 10/	37.13	37.72	29.45	32.26	38.28	34.44
Irrigation costs	27.52	33.19	12.36	1.02	3.21	15.03
General farm overhead	32.05	41.11	40.00	32.43	59.75	40.90
Management 11/	191.33	191.43	184.53	172.35	148.29	177.42
Total, excluding land and quota	2,492.10	2,691.82	2,420.60	2,457.87	2,516.38	2,498.65
Land and quota charge 12/	1,025.06	913.39	914.82	728.78	495.72	820.16
Yield per acre (pounds) 13/	1,885	1,886	1,818	1,698	1,461	1,748

1/ Includes interest on operating expenses. 2/ Includes operator, family, and exchange labor valued at prevailing wage rates. 3/ Includes insecticides, fungicides, and herbicides. 4/ Includes fuel for aiding curing and heating the stripping room. 5/ Includes cost of materials in cases where the farmer could not separate the cost of the materials and the cost of the custom operation. 6/ Net of payments for losses. 7/ Includes tobacco seed, cover crop seed, plant bed canvas, car cost, mule and horse upkeep and other miscellaneous items. 8/ Excludes insurance. 9/ Excludes insurance and taxes. 10/ Includes tobacco's prorated share of general farm insurance including machinery and barn insurance. 11/ Estimated at 7 percent of gross tobacco receipts. 12/ Calculated on net share rent basis. 13/ Based on 1976 yield of farmers surveyed in 1977 adjusted to reflect Crop Reporting Service percentage yield changes in succeeding years.

Table 3--Burley tobacco: Production costs per 100 pounds, by cost item, specified areas, 1979

COST ITEM	Area					
	1	2	3	4	5	All
	Dollars per 100 pounds					
Variable 1/	88.73	98.35	88.74	96.94	109.12	95.47
Labor 2/	58.03	62.66	57.99	64.43	71.62	62.41
Hired	31.05	23.06	18.01	16.97	19.75	21.76
Family and exchange	10.58	19.82	20.09	23.18	26.69	19.77
Operator	16.40	19.78	19.89	24.28	25.18	20.88
Fertilizer and lime	6.19	9.76	8.53	8.80	11.27	8.76
Pesticides 3/	0.73	.47	0.29	0.51	0.39	0.49
Sucker control chemicals	0.71	.52	0.50	0.68	0.70	0.60
Curing and heating fuel 4/	0.97	.88	0.54	0.41	0.26	0.63
Custom operations 5/	3.74	2.23	2.23	3.13	2.31	2.73
Fuel and lubricants	3.21	4.26	3.45	3.62	4.46	3.75
Repairs	2.63	3.48	2.50	2.60	3.12	2.82
Tobacco crop insurance 6/	1.82	3.13	1.75	1.47	1.96	1.99
Marketing fee	7.25	7.25	7.25	7.25	7.25	7.25
Other 7/	3.45	3.72	3.71	4.04	5.78	4.04
Machinery ownership costs 8/	12.06	16.42	12.15	16.11	24.81	15.60
Barn ownership costs 9/	16.14	11.87	17.62	17.69	21.23	16.56
Insurance 10/	1.97	2.00	1.62	1.90	2.62	1.97
Irrigation costs	1.46	1.76	0.68	0.06	0.22	0.86
General farm overhead	1.70	2.18	2.20	1.91	4.09	2.34
Management 11/	10.15	10.15	10.15	10.15	10.15	10.15
Total, excluding land and quota	132.21	142.73	133.16	144.76	172.24	142.95
Land and quota charge 12/	54.38	48.43	50.32	42.92	33.93	46.92
Yield per acre (pounds) 13/	1,885	1,886	1,818	1,698	1,461	1,748

1/ Includes interest on operating expenses. 2/ Includes operator, family, and exchange labor valued at prevailing wage rates. 3/ Includes insecticides, fungicides, and herbicides. 4/ Includes fuel for aiding curing and heating the stripping room. 5/ Includes costs of materials in cases where the farmer could not separate the cost of the materials and the cost of the custom operation. 6/ Net of payments for losses. 7/ Includes tobacco seed, cover crop seed, plant bed canvas, car cost, mule and horse upkeep and other miscellaneous items. 8/ Excludes insurance. 9/ Excludes insurance and taxes. 10/ Includes tobaccos' prorated share of general farm insurance including machinery and barn insurance. 11/ Estimated at 7 percent of gross tobacco receipts. 12/ Calculated on net share rent basis. 13/ Based on 1976 yield of farmers surveyed in 1977 adjusted to reflect Crop Reporting Service percentage yield changes in succeeding years.

Table 4--Burley tobacco: Production costs per acre, by cost item, study area, preliminary 1980 and projected 1981

Cost item	Year	
	1980	1981
	Dollars per acre	
Variable 1/	1,891.42	2,134.16
Labor 2/	1,190.55	1,321.51
Hired	415.04	460.69
Family and exchange	377.23	418.73
Operator	398.28	442.09
Fertilizer and lime	193.41	220.49
Pesticides 3/	9.44	10.57
Sucker control chemicals	11.59	12.98
Curing and heating fuel 4/	14.40	17.57
Custom operations 5/	53.06	63.67
Fuel and lubricants	92.80	116.00
Repairs	54.83	63.05
Tobacco crop insurance 6/	36.96	39.55
Marketing fee	155.96	180.94
Other 7/	78.42	87.83
Machinery ownership costs 8/	294.57	316.66
Barn ownership costs 9/	303.33	316.07
Insurance 10/	37.24	39.85
Irrigation costs	18.23	20.96
General farm overhead	45.46	50.92
Management 11/	218.34	253.32
Total, excluding land and quota	2,808.59	3,131.94
Land and quota charge 12/	1,010.60	1,172.49
Yield per acre (pounds) 13/	1,879	2,180

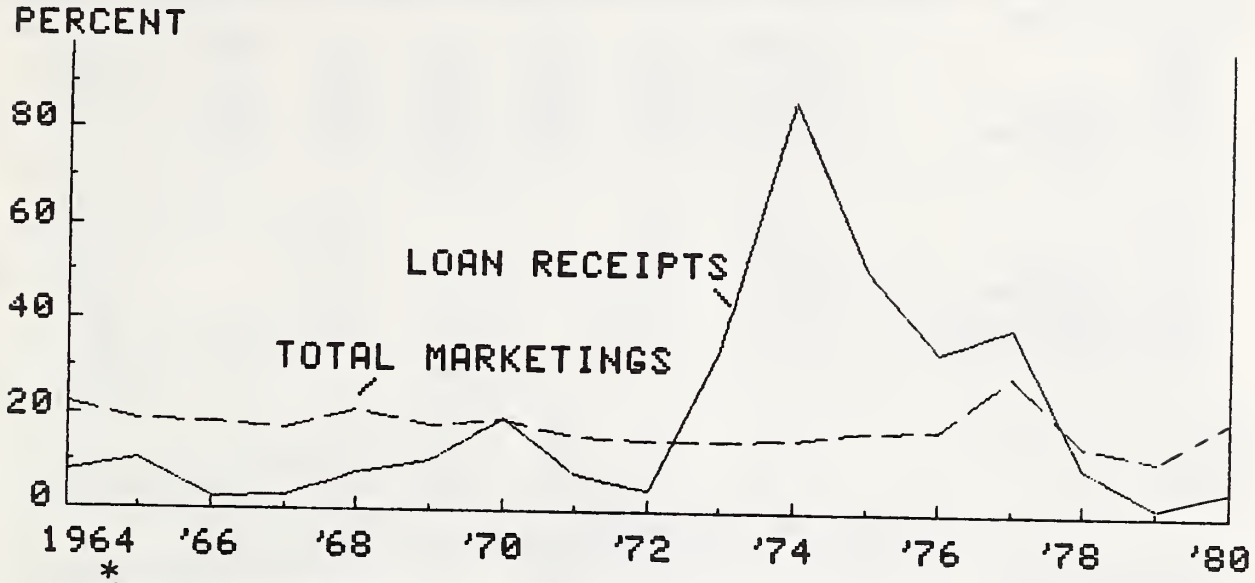
1/ Includes interest on operating expenses. 2/ Includes operator, family, and exchange labor valued at prevailing wage rates. 3/ Includes insecticides, fungicides, and herbicides. 4/ Includes fuel for aiding curing and heating the stripping room. 5/ Includes costs of materials in cases where the farmer could not separate the cost of the materials and the cost of the custom operation. 6/ Net of payments for losses. 7/ Includes tobacco seed, cover crop seed, plant bed canvas, car cost, mule and horse upkeep and other miscellaneous items. 8/ Excludes insurance. 9/ Excludes insurance and taxes. 10/ Includes tobacco's prorated share of general farm insurance including machinery and barn insurance. 11/ Estimated at 7 percent of gross tobacco receipts. 12/ Calculated on net share rent basis. 13/ Based on average 1976 yield of farmers surveyed in 1977 adjusted to reflect Crop Reporting Service percentage yield changes in succeeding years.

Table 5--Burley tobacco: Production costs per 100 pounds, by cost item, study area, preliminary 1980 and projected 1981

Cost item	1980	1981
	Dollars per 100 pounds	
Variable 1/	100.63	97.89
Labor 2/	63.35	60.62
Hired	22.09	21.13
Family and exchange	20.07	19.21
Operator	21.19	20.28
Fertilizer and lime	10.29	10.11
Pesticides 3/	0.51	.48
Sucker control chemicals	0.62	.60
Curing and heating fuel 4/	0.77	.81
Custom operations 5/	2.82	2.92
Fuel and lubricants	4.93	5.32
Repairs	2.91	2.89
Tobacco crop insurance 6/	1.96	1.81
Marketing fee	8.30	8.30
Other 7/	4.17	4.03
Machinery ownership costs 8/	15.67	14.53
Barn ownership costs 9/	16.14	14.50
Insurance 10	1.98	1.83
Irrigation costs	0.97	.96
General farm overhead	2.42	2.34
Management 11/	11.62	11.62
Total, excluding land and quota	149.43	143.67
Land and quota charge 12/	53.78	53.78
Yield per acre (pounds) 13/	1,879	2,180

1/ Includes interest on operating expenses. 2/ Includes operator, family, and exchange labor valued at prevailing wage rates. 3/ Includes insecticides, fungicides, and herbicides. 4/ Includes fuel for aiding curing and heating the stripping room. 5/ Includes costs of materials in cases where farmers could not separate the cost of the materials and the cost of the custom operations. 6/ Net of payment for losses. 7/ Includes tobaeco seed, cover crop seed, plant bed canvas, car costs, mule and horse upkeep, and other miscellaneous items. 8/ Excludes insurance. 9/ Excludes insurance and taxes. 10/ Includes tobacco's prorated share of general farm insurance including machinery and barn insurance. 11/ Estimated at 7 percent of gross tobacco receipts. 12/ Calculated on net share rent basis. 13/ Based on average 1976 yield of farmers surveyed in 1977 adjusted to reflect Crop Reporting Service percentage yield changes in succeeding years.

P & N GRADES* AS A SHARE OF U.S. FLUE-CURED TOBACCO



* PRIMINGS, AND NONDESCRIPT.

USDA

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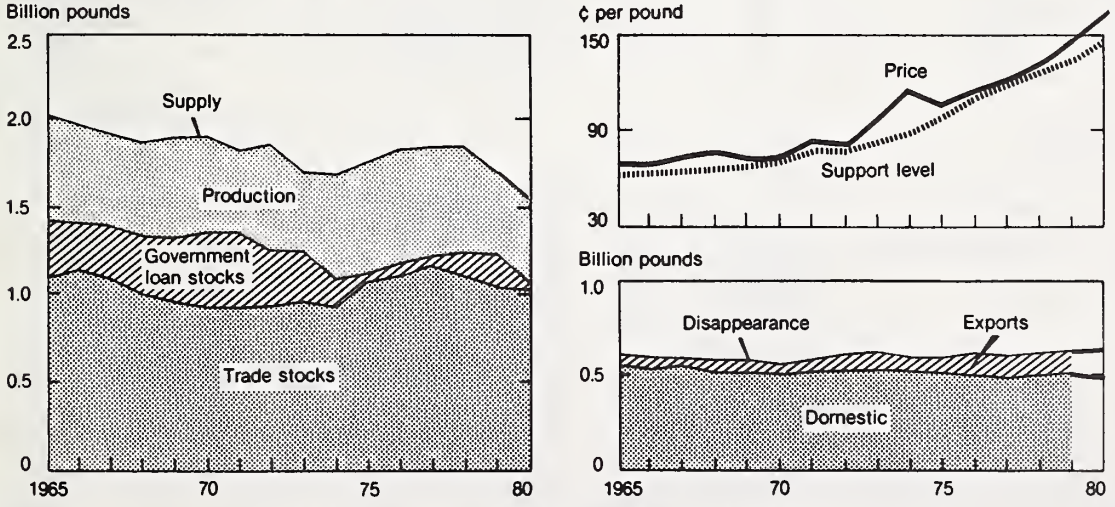
Burley Tobacco: Supply, Price, Use



Trade stocks include manufacturers' and dealers'. Crop year beginning October 1. 1979 preliminary, 1980 forecast.

STATISTICAL SUMMARY

Item	Unit or base period	1979		1980			Last data as percentage of a year earlier
		Oct.	Nov.	Sept.	Oct.	Nov.	
Average price at auctions							
Flue-cured	Ct. per lb.	138.2	122.5	153.5	143.0	133.5	109
Burley	Ct. per lb.	Closed	144.1	Closed	Closed	165.5	115
Maryland	Ct. per lb.	Closed	Closed	Closed	Closed	Closed	-
Virginia fire-cured	Ct. per lb.	Closed	Closed	Closed	Closed	Closed	-
Ky.-Tenn. fire-cured	Ct. per lb.	Closed	Closed	Closed	Closed	Closed	-
Ky.-Tenn. dark air-cured	Ct. per lb.	Closed	Closed	Closed	Closed	Closed	-
Virginia sun-cured	Ct. per lb.	Closed	Closed	Closed	Closed	Closed	-
Price support level 1/							
Flue-cured	Ct. per lb.	129.3			141.5		109
Burley	Ct. per lb.	133.3			145.9		109
Virginia fire-cured	Ct. per lb.	90.3			98.9		109
Ky.-Tenn. fire-cured	Ct. per lb.	90.3			98.9		109
Ky.-Tenn. dark air-cured	Ct. per lb.	80.4			88.0		109
Virginia sun-cured	Ct. per lb.	80.4			88.0		109
Connecticut Valley cigar binder	Ct. per lb.	92.3			101.0		109
Wis. binder and Ohio filler	Ct. per lb.	66.6			72.9		109
Puerto Rican filler	Ct. per lb.	69.2			75.7		109
Parity index 2/	1910-14=100	874	876	972	979	987	112
Industrial production index 3/	1967=100	152.7	152.3	143.7	146.0	-	96
Employment	Mil.	97.5	97.6	97.2	97.2	-	100
Personal income 4/	Bil. dol.	1,981.2	2,005.5	2,166.5	2,189.9	-	111
		1979		1980			
		Sept.	Oct.	Aug.	Sept.	Oct.	
Taxable removals							
Cigarettes	Bil.	49.7	56.4	52.1	54.8		110
Cigars and cigarillos	Mil.	351.9	408.1	337.3	387.9		110
Accumulated from Jan. 1							
Cigarettes	Bil.	462.6	517.1	410.6	465.4		101
Cigars and cigarillos	Mil.	3,238.4	3,996.4	2,551.7	2,939.6		91
Invoiced to domestic customers							
Accumulated from Jan. 1							
Smoking tobacco	Mil. lb.	24.2			22.8		94
Chewing tobacco	Mil. lb.	75.2			79.8		106
Snuff	Mil. lb.	18.1			17.6		97
Tax-exempt removals							
Cigarettes	Bil.	6.6	8.5	6.8	8.6		101
Exports	Bil.	5.1	6.9	6.3	7.8	8.2	123
Cigars and cigarillos	Mil.	16.9	14.9	17.3	16.3		96
Accumulated from Jan. 1							
Cigarettes	Bil.	69.8	78.2	61.0	69.6		100
Exports	Bil.	58.3	65.1	53.2	60.9	69.1	106
Cigars and cigarillos	Mil.	124.9	139.8	127.0	143.3		114
Invoiced for export							
Accumulated from Jan. 1							
Smoking tobacco	Mil. lb.	0.7			0.6		85
Chewing tobacco	Mil. lb.	0.1			0.1		100
Producer price indexes 5/							
Tobacco products	1967=100	221.7	221.9	247.6	247.6	248.9	112
Cigarettes (filtertip, king size)	1967=100	223.1	223.1	251.7	251.7	251.7	113
Cigars	1967=100	147.4	147.1	257.0	257.0	160.7	109
Smoking tobacco	1967=100	248.6	248.6	264.4	264.4	268.7	108
Plug chewing tobacco	1967=100	259.3	269.5	279.6	279.6	317.6	118
Snuff	1967=100	258.5	272.9	292.4	292.4	292.4	107
Consumer price indexes (urban)							
Tobacco products	1967=100	223.4	225.4	249.4	251.7	253.9	113
Cigarettes	1967=100	193.6	225.4	249.4	206.8	206.8	92
Other tobacco products 6/	Dec. 1977=100	112.2	113.0	122.0	122.8	123.2	109
Imports of tobacco							
Cigarette leaf	Mil. lb.	15.0	16.5	13.4	17.8	24.1	146
Cigar tobacco 7/	Mil. lb.	6.4	5.4	.6	.9	.6	11
Accumulated from Jan. 1							
Cigarette leaf	Mil. lb.	150.4	166.9	133.2	153.7	177.8	107
Cigar tobacco 7/	Mil. lb.	53.1	58.5	42.9	51.9	52.5	90

Item	Unit or base period	1979 Sept.	1979 Oct.	1980 Aug.	1980 Sept.	1980 Oct.	Last data as percentage of a year earlier
Exports of leaf tobacco (farm-sales weight)							
Flue-cured	Mil. lb.	26.1	40.1	24.8	29.5	48.7	121
Burley	Mil. lb.	5.3	2.1	7.9	5.3	5.3	252
Maryland	Mil. lb.	.2	2.1	.9	.9	.3	14
Virginia fire- & sun-cured	Mil. lb.	1.8	.8	1.0	.1	.4	50
Ky.-Tenn. fire-cured	Mil. lb.	.4	.9	.2	.3	1.3	144
Ky.-Tenn. dark air-cured	Mil. lb.	.4	*	3.1	.4	.3	695
Cigar wrapper	Mil. lb.	.4	.5	.2	.4	.6	120
Cigar binder	Mil. lb.	.1	0	.2	*	*	--
Accumulated from beginning of marketing year 8/							
Flue-cured	Mil. lb.	75.1	115.3	62.8	92.3	141.0	122
Burley	Mil. lb.	121.5		128.0	133.3		110
Maryland	Mil. lb.	10.1		9.1	10.0		99
Virginia fire- & sun-cured	Mil. lb.	3.8		3.7	4.0		104
Ky.-Tenn. fire-cured 9/	Mil. lb.	22.2		18.4	18.7		84
Ky.-Tenn. dark air-cured 9/	Mil. lb.	2.7		1.5	1.8		68
Cigar wrapper	Mil. lb.	1.4	1.9	.5	.9	1.5	86
Cigar binder	Mil. lb.	.1		.2	*		--
Cigar filler	Mil. lb.	.1		.1	*		--
Exports of manufactured tobacco in bulk and not elsewhere classified 10/	Mil. lb.	2.7	2.9	.7	3.3	3.6	124
Accumulated from Jan. 1	Mil. lb.	20.5	23.4	11.8	15.2	16.4	70
		Quarterly data					
		1979 July-Sept.	1979 Oct-Dec.	1980 July-Sept.		1980 Oct.-Dec.	
Stocks of tobacco--1st of quarter (farm-sales weight) 11/							
Domestic types							
Flue-cured	Mil. lb.	2,076	2,630	1,965		2,430	117
Burley	Mil. lb.	1,332	1,212	1,162		1,026	85
Maryland	Mil. lb.	56	50	48		39	78
Fire-cured	Mil. lb.	84	76	87		77	101
Dark air- and sun-cured	Mil. lb.	40	36	39		36	100
Cigar filler	Mil. lb.	76	69	67		61	88
Cigar binder	Mil. lb.	57	51	60		55	108
Cigar wrapper	Mil. lb.	13	10	8		7	70
Under Government loan 12/	Mil. lb.	786	770	693		698	91
Foreign types							
Cigarette and smoking	Mil. lb.	684	696	746		719	103
Oriental	Mil. lb.	365	350	367		336	96
Flue-cured	Mil. lb.	147	157	166		166	106
Burley	Mil. lb.	171	189	213		215	114
Cigar	Mil. lb.	97	95	95		93	98
Tobacco outlets 13/							
Seasonally adjusted data, annual rates, for charts, p. 2							
Cigarettes							
Production	Bil.	692.7	687.1	711.3		736.4	107
Tax-paid removals	Bil.	607.6	598.0	629.8		647.6	108
Cigar production							
Large	Bil.	4.04	4.30	4.10		4.0	93
Small	Bil.	1.70	1.55	1.37		1.27	82
Smoking production	Mil. lb.	31.4	32.0	31.0		31.4	98
Chewing production							
Loose leaf	Mil. lb.	74.3	72.2	66.5		73.6	102
Plug and other	Mil. lb.	29.8	31.5	32.9		34.7	110
Snuff production	Mil. lb.	23.5	24.1	24.1		24.1	100
Exports of leaf							
Total	Mil. lb.	582.1	731.4	632.1		708.0	97
Flue-cured	Mil. lb.	390.1	645.5	478.8		590.0	92

1/ 1979 and 1980 crops, respectively. 2/ Prices paid by farmers including interest, taxes and wage rates. 3/ Seasonally adjusted. 4/ Seasonally adjusted, annual rate. 5/ Federal and applicable state and local taxes included. 6/ Includes tobacco accessories. 7/ Farm-sales weight equivalent. 8/ July 1 for flue-cured and cigar wrapper and October 1 for others. 9/ Includes Black Fat. 10/ Smoking tobacco in bulk through December 1977. Beginning January 1978 blended strips no longer included. 11/ Holdings of manufacturers and dealers, including grower cooperatives. 12/ Reported by grower cooperatives. 13/ Latest quarter is estimated. *Less than 50,000 pounds. **Estimated. Detail may not add due to rounding.

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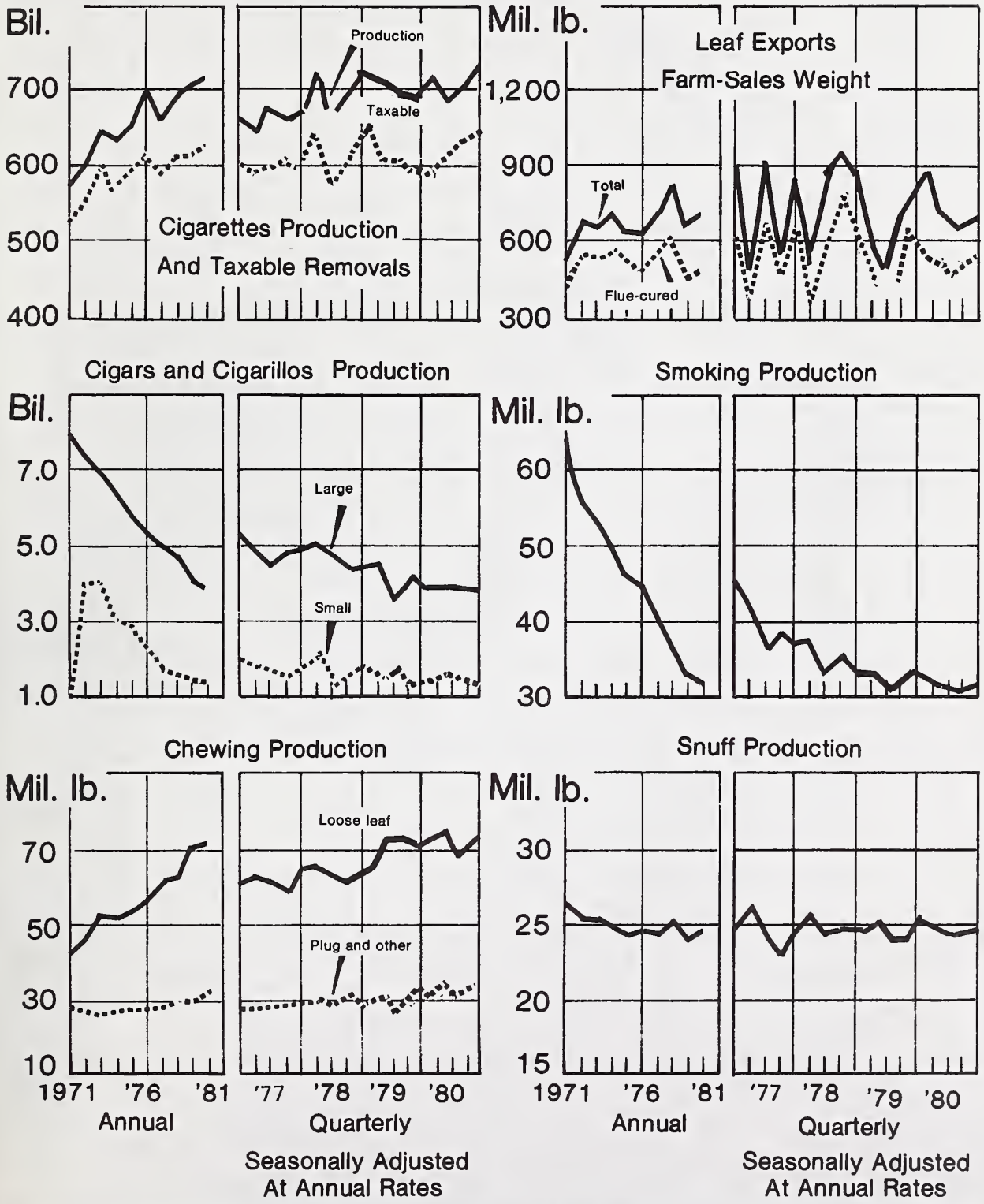
Tobacco Outlets

Trends in Manufactured Products and Exports



Last quarter shown estimated.

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, $300

POSTAGE AND FEES PAID
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